Austria	Sch. 15	Indonesia	Rp 2500	Portugal	Esc 65
Bahrain	Din.0.650	Italy	L 1100	S. Arabia	Rls 6.00
Belgium	BFr.35	Japan	Y550	Singapore	S$ 4.10
Canada	C$2.00	Jordan	Fils 500	Spain	Pts 85
Cyprus	Mils 500	Kuwait	Fils 500	Sri Lanka	Rps 30
Denmark	Dkr 7.00	Lebanon	£L 6.00	Sweden	Skr 6.50
Egypt	E£1.00	Luxembourg	Lfr.35	Switzerland	SwFr 2
Finland	Fmk 5.50	Malaysia	Rm 4.25	Taiwan	NT $35
France	FFr 5.50	Mexico	Pes. 300	Tunisia	Din 0.600
Germany	DM 2.00	Morocco	Dh 6.00	Turkey	L 160
Greece	Dr 60	Netherlands	Fl 2.25	U.A.E.	Dh 6.50
Hong Kong	HK$ 12	Norway	Nkr. 6.00	U.S.A.	$1.50
India	Rup. 15	Philippines	Pes. 20		

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,201 Tuesday December 20 1983 D 8523 B

Why all bets are off in Japan, Page 10

NEWS SUMMARY

GENERAL

Israel prevents Arafat exit

Israel's naval bombardment of the northern Lebanon port of Tripoli prevented Palestine Liberation Organisation leader Yassir Arafat from leaving. But last night five Greek ships left Cyprus for Tripoli.

The Israelis sank a small Lebanese ship, damaged a Cyprus-registered ship, but allowed an Italian vessel to take off injured PLO fighters. Page 3

In Jerusalem, an American woman tourist became the sixth to die as a result of a PLO bus bomb attack two weeks ago.

U.S. envoy in Iraq

U.S. special envoy in the Middle East Donald Rumsfeld visited Iraq, which broke off relations with the U.S. after the 1967 Arab-Israeli war, to gain support for restoring peace in Lebanon.

Explosion check

London anti-terrorist squad detectives interviewed a dealer who four weeks ago sold the car used in the bomb attack on Harrods store on Saturday, in which five people were killed. A businessman has offered a £250,000 ($354,000) reward for information leading to conviction of those responsible. Page 12

German bomb arrests

West German police have arrested four young men near Rüsselsheim, near Frankfurt, on suspicion of planning bomb attacks on U.S. bases.

Nordic-Africa talks

Nordic countries have invited foreign ministers from Angola, Zambia, Zimbabwe, Botswana, Mozambique and Tanzania to Stockholm in April to discuss the "worsened situation in southern Africa."

'Attack on Angola'

Angola accused South Africa of an air attack on a southern town, killing dozens of civilians and destroying a school and hospital.

Jamaica reshuffle

Jamaican Premier Edward Seaga reshuffled his Cabinet, appointing Mr Hugh Hart Minister of Mining, a post he had previously held himself.

Gunmen kill 10 Thais

Five men fired machineguns into a crowd of Thai villagers watching television, killing 10 and wounding three.

Spy chief resigns

Australian Secret Intelligence Service director John Ryan resigned after a bungled mock anti-terrorist raid on a Melbourne hotel by 12 agents this month. Page 3

Chinese cure

Chinese doctors have found a new remedy for menstrual pains and dizziness: cotton wool soaked in alcohol and placed in the patient's ear.

Princess to marry

Princess Caroline of Monaco, 26, is to marry for the second time. The groom is Italian oil and property heir Stefano Casiraghi, 23.

Car surgery protest

Swiss children's psychiatrist and six friends dismantled his car, a Renault, and sold parts to passers-by in a Basle protest against pollution.

BUSINESS

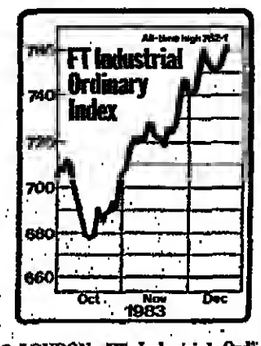
Mexico granted a $4bn credit

● **MEXICO'S commercial bank creditors have agreed to arrange a $4bn credit to help it cover its 1984 balance of payments requirements. Page 4**

● **DOLLAR fell to DM 2.773 (DM 2.778), FFr 8.4575 (FFr 8.4775), and SwFr 2.212 (SwFr 2.215), but improved from Y235.7 to Y236.15. Its Bank of England trade-weighted index, logged before the close, rose from 131.1 to 131.2. Page 29**

● **STERLING rose 45 points to $1.4185, and to DM 3.925 (DM 3.93), FFr 11.995 (FFr 11.985), SwFr 3.14 (SwFr 3.135), and Y335.25 (Y333.5). Its trade weighting rose from Friday's 81.9 to 82.1. Page 29**

● **GOLD rose $1.25 in London to $375.125 and by $0.75 in Zurich to $375.25. It dropped $2.25 in Frankfurt to $375. In New York, the Comex December settlement was $373 ($372.6). Page 28**



● **LONDON: FT Industrial Ordinary Index improved 2.8 to a record 762.1. Report, Page 23. FT Share Information Service, Pages 24, 25**

● **WALL STREET: Dow Jones industrial average closed 2.44 up at 1,244.61. Report, Page 19. Full share prices, Pages 20–22**

● **TOKYO: Nikkei Dow index fell 81.47 to 9,484.17 and the Stock Exchange index dropped 5.50 to 701.22. Report, Page 19. Leading prices, other exchanges, Page 22**

● **EUROPEAN PARLIAMENT** President Pieter Dankert is expected to sign today final adoption of the 1984 EEC budget freezing UK and West German rebates, despite protest from foreign ministers that the parliament is exceeding its powers. Page 12

● **INTERNATIONAL BANKS** in Western industrial nations made new loans of $10bn to the rest of the world in first-half 1983, only a third of the 1982 figure.

● **ZAIRE** began talks in Paris about rescheduling payments on debts, now about $5bn, for the sixth time since 1976.

● **COLOMBIA** is to seek new loans of more than $800m in the next six months. Page 4

● **NEW ZEALAND** Forest Products, 24.9 per cent of whose shares were acquired by the Wattie-Goodman group last month, offered about a third above Friday's closing price for 24.9 per cent of Watties. Page 14

● **KUALA LUMPUR-KEPONG,** Malaysia's fourth largest plantation group, has bought Sri Kmak Plantation for 189m ringgits ($82m). Page 13

● **VOLKSWAGEN,** West German car maker, forecasts a loss for the year of about DM 300m ($108.6m), the same as last year. Page 13

● **BUITONI PERUGINA,** the Italian foods group, has dropped plans for an alliance with French confectionery maker Poulain. Page 13

● **SHELL -ESSO** project to build a $315m ($440m) North Sea gas pipeline from the Fulmar field was approved by the UK Government. Page 6

Shell wins leading role in Nigerian gas export project

BY MICHAEL HOLMAN AND QUENTIN PEEL IN LONDON

Shell has been appointed project leader for the Nigerian Government's proposed $6.6bn liquefied natural gas (LNG) export scheme. The decision was taken after a series of meetings with oil majors operating in Nigeria on how to revive the massive project after a series of setbacks.

It represents a major step towards realisation of the scheme to exploit Nigeria's huge gas reserves and replace oil as the country's main foreign exchange earner. Western Europe is seen as the likely market.

Shell was chosen as project leader ahead of Elf-Aquitaine and Agip, the other partners in the former Bonny LNG consortium which went into voluntary liquidation last year.

Several key factors were behind the decision, according to industry officials. They include Shell's experience in LNG schemes, its position as operator of the largest oil company in Nigeria, with huge unexploited gas reserves, and its good contacts with the gas markets in both Britain and West Germany, the most likely buyers of Nigerian LNG.

The tentative date for completion of the LNG scheme is the early 1990s, but the critical issue now to be resolved is where and at what price the daily output of 1bn cubic feet can be sold.

The LNG scheme is virtually the only major capital project in Nigeria to survive drastic cuts, because of the current oil glut, and the consequent drop in both foreign exchange earning and government revenues. It is intended that the project should be effectively self-financing once the initial equity capital has been found.

Shell's selection as project leader means there will only be two equity partners – Shell and the Nigerian National Petroleum Corporation (NNPC), which will retain a majority shareholding. However, other gas producers, such as Elf and Agip, will be able to supply gas to the proposed plant.

The decision also means that Shell's Air Products process is now more likely to be chosen for the plant than the rival Technip process used by Elf.

The Nigerian Government originally envisaged a six-train (processing unit) plant, which would have cost some $14bn, but this was subsequently reduced to half the size, in part because of government misgivings over the massive scale and finance required.

The proposed funding for the revised scheme is for supplier credits totalling some $4bn, between $1.35 and $1.75bn in equity capital from the partners, and some $1bn from a syndicated Euroloan.

Pricing of the Nigerian gas will be critical to any attempt to break into the European market, and industry officials say it will be more expensive than gas from the Soviet pipeline but cheaper than Algerian gas.

Gas pipeline go-ahead, Page 6

Saudis 'withdrew $10bn from banking system'

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

SAUDI ARABIA pulled $10.2bn out of the international banking system in the first half of this year as it ran down its reserves to offset declining oil revenues, according to figures from the Bank for International Settlements (BIS).

The withdrawals totalled nearly a quarter of the amount Saudi Arabia held on deposit with Western banks at the start of the year.

By the end of June it was left with only $31.6bn, although its total foreign exchange reserves, which also include holdings of government securities and gold, are much higher.

The BIS figures give one of the first concrete indications of the impact that lower oil prices have had on the country's finances this year. Some bankers believe that the rundown of reserves is also attributable to continuing assistance to Iraq in its war against Iran.

Saudi Arabia, which only just managed to run a balance of payments surplus in 1982, faced a 48 per cent fall in oil exports to 658.5m barrels in the first half of this year.

Official Saudi figures show oil revenues fell 54.5 per cent to $17bn in the same period.

But the BIS report also shows that other oil exporters have had to run down their deposits with Western banks. Notable falls were posted by Iran, Iraq and Libya as their exports fell, it says. Total Middle Eastern deposits in Western banks fell $16.4bn in the first half of this year.

The latest BIS figures, which cover the maturity distribution of international bank leoding, are much more detailed than the bank's quarterly data on international banking flows.

Like that series, however, the new figures confirm a sharp slowdown in international bank lending in the first half of the year.

A particularly worrying aspect was a further decline in undrawn credit commitments to countries outside the BIS reporting area – the group of 10 leading industrial countries, Switzerland, Austria, Ireland and Denmark, as well as leading offshore centres.

These fell a further $2.8bn, suggesting that there will be no immediate relaxation of the squeeze on borrower nations.

The figures suggest, however, that banks are taking more care not to pile up too many short-term loans to countries in potential trouble.

Sony predicts sharp recovery as earnings decline by 35%

BY YOKO SHIBATA IN TOKYO

SONY CORPORATION, the Japanese-based electrical group, suffered a 35 per cent setback in consolidated net income in the year to October 31 to Y29.8bn ($128m), but expects a recovery by about 70 per cent to Y50bn in the current year.

The expectations, says Sony, are based on higher demand for Betamax video cassette recorders (VCRs) in Japan and the U.S. The company places high hopes on the Olympic Games in Los Angeles, and on further reductions in inventories, which were trimmed by Y94.6bn to Y265.7bn last year.

The company plans to bring annual production of VCRs to its full capacity of 2.8m from the 2.25m achieved this year.

The three months to October 31 brought a sweeping recovery in performance, with Sony's net income reaching Y12.7bn, five times the Y2.5bn of the comparable quarter.

Consolidated sales for the year to October were slightly down by 0.3 per cent to Y1,110bn ($4.7bn), but turnover for the current year is forecast to gain 12.5 per cent to Y1,250bn. The fourth quarter just past brought a rise of 10.3 per cent to Y300.2bn.

Overseas sales last year fell 4.8 per cent to account for 71 per cent of the total. Latin American sales showed a fall of 53.4 per cent. Against this, domestic sales rose 13.2 per cent on the back of strong VCR sales, to reach 28.9 per cent of the overall figure.

A breakdown of last year's sales by product shows video equipment – including VCRs, cameras and tapes – falling by 3.6 per cent in value to make up 41.1 per cent of the total. Volume sales of VCRs rose 16 per cent to 22.5m, helped by new products such as the Beta hi-fi models and the Beta Movie, the home movie recorder.

Sales of television sets rose 1.5 per cent, at 24.1 per cent of total turnover – but audio equipment revenues were down 2.9 per cent to account for 22.1 per cent. Only 260,000 Walkman portable stereo cassette tape recorders were sold, compared with 290,000 the previous year.

Sony will market its optical video disc players for consumer use next spring. It has chosen the laser-type system which has been in production for two years for commercial use.

Video disc players produce clearer pictures, but do not have re-recording capacity. At present 700 software titles are available for laser-type video disc players.

Yamaha Motor, the world's second biggest motorcycle manufacturer, after Honda, suffered a heavy parent-company net loss of Y14.07bn ($59.7m) in the six months to October 31, compared with a profit of Y5.14bn in the comparable period last year, **writes our Financial Staff.** Sales during the period plunged to Y166.7bn from Y224.8bn.

The group, which has suffered from falling sales and high inventories of motorcycles, is paying no interim dividend and forecasts a parent-company net loss of Y33bn for the full year.

Last month, Yamaha cut wages by 5 per cent and announced that it was seeking 500 voluntary redundancies from its 11,000 employees.

Lex, Page 12

Nakasone's authority undermined by election losses

By Jurek Martin in Tokyo

AN IMMEDIATE weakening in the political authority of Mr Yasuhiro Nakasone, the Japanese Prime Minister, seems the inevitable consequence of the crushing loss in Sunday's general election of his ruling Liberal Democratic Party's (LDP) absolute majority in the Diet (parliament).

The LDP is still expected to form the next government, without recourse to a coalition by recruiting to its ranks at least nine and possibly 11 of the 18 newly elected independent Diet members. This would give the LDP an effective representation of about 260 seats in the 511-member parliament.

It also seemed probable last night that Mr Nakasone would remain as head of the Government, but only largely because the severity of the LDP's setback so affected most of his potential rivals for the party leadership that none appeared ready to launch an immediate challenge.

Much, however, will depend on whether he can put together a new Cabinet which succeeds in balancing the competing forces inside the LDP. Judging by the savagely critical comments about him circulating last night, this will prove extremely difficult. In any event, he can expect considerable opposition when, or if, he seeks re-election as party leader next autumn.

A noticably subdued Mr Nakasone apologised at a news conference for the election results and promised to "start again" in running the country. But the Prime Minister was a relative picture of confidence compared with the abject appearance of Mr Susumu Nikaido, his party's secretary-general and chief election strategist. He promised to resign.

The early trends of Sunday night's counting were confirmed yesterday when results from the major cities of Tokyo, Yokohama and Osaka flooded in. The LDP's final tally of 250 seats represented a net loss of 36 from its parliamentary strength dissolution; no poll or forecast, not even from the opposition, had predicted so poor a result.

Moreover, matched against the LDP debacle, was the spectacular personal victory of former Prime Minister Kakuei Tanaka, whose conviction in the Lockheed bribery trial and subsequent refusal to re-

Continued on Page 12

Why the bets are off, Page 10

New Airbus boosted by $200m order

BY MICHAEL DONNE IN LONDON

AIRBUS INDUSTRIE has decided to go ahead with development of its new A-320 aircraft after receipt of a $200m order from Inex-Adria, a Yugoslavian airline, for five aircraft, with another three on option.

That increases pressure on the British Government to approve more than £400m ($570m) launching aid for the British Aerospace share of the proposed 150-seat airliner. BAe wants to build the wings for the aircraft, the launching of which would complement the European Airbus consortium's production of the existing A-300 and A-310 models.

M Bernard Lathière, Airbus president, said the consortium's members had decided to press ahead with the project because, in the light of the Inex-Adria order, "the industrial and marketing conditions we had set ourselves have been fulfilled."

If the British Government, therefore, decides not to support the A-320 financially, obliging BAe to withdraw, the aircraft will still be developed, probably with other partners replacing BAe. The UK company has accepted the possibility that that situation might occur.

BAe is anxious to participate, however, and has recently even been considering the possibility of raising some money in British financial markets if the UK Government decides to limit the amount of launching aid it could provide.

BAe could probably raise about half the £400m needed in the market if forced to do so. But if the Government rejected all financial support, BAe would be obliged to pull out, because it could not afford the debt involved in raising all £400m from the market.

The Government itself continues to hold back from a decision. Mr Norman Lamont, Minister for Industry, told a union delegation yesterday that although the Government recognised the importance of both the A-320 and the projected new V-2500 international jet engine, in which Rolls-Royce participates, a decision would not be likely before January.

Together with £113m sought by Rolls-Royce for its share of the engine, the two companies collectively want over £500m in launch aid, repayable from levies on eventual sales of aircraft and engines.

The Inex-Adria order is the fourth for the A-320, bringing total firm orders and options to 88 air-

Continued on Page 12

Cartel go-ahead for Grundig plan likely

BY JOHN DAVIES IN FRANKFURT AND WALTER ELLIS IN AMSTERDAM

THE WEST German Cartel Office is expected to allow Philips, the Dutch electronics group, to go ahead with its plan to take management control of Grundig, the German consumer electronic manufacturer.

It said yesterday that it expected to hold talks with the two companies next month, although no definite date had been set.

Four years ago, the office obstructed a plan by Philips to increase its present 24.5 per cent stake in Grundig. But an official said that the landscape had changed since then, and referred to the build-up by Thomson-Brandt of France of its interests in West Germany.

Grundig yesterday declined to disclose the likely financial arrangements with Philips, emphasising that the final details were not yet decided.

According to Philips, negotiations on the increased participation required to give it day-to-day control of Grundig should be concluded shortly.

Reports in Germany point to a final Philips holding, in co-operation with the banks, of around 51 per cent. The Dutch group has refused to comment on reports that it might make a convertible loan to Grundig or give Dr Max Grundig, founder and current majority shareholder of the German acquisition, a cash payment.

According to Dutch bankers, the European banking consortium is being put together by Dresdner Bank, house bankers to Grundig.

Continued on Page 12

Editorial comment, Page 10; High drama in electronics, Page 13; Lex, Page 12

CONTENTS

Europe 2
Companies 13
America 4
Companies 13
Overseas 3
Companies 13, 14
World Trade 4
Britain 5, 6
Companies 16–18

Agriculture 28
Arts – Reviews 15
– World Guide 15
Commodities 28
Crossword 26
Currencies 29
Editorial comment 10

Eurobonds 30
Euro-options 23
Financial Futures 29
Gold 28
Int. Capital Markets 30
Letters 11
Lex 12
Lombard 11
Management 8
Market Monitors 19
Men and Matters 10
Mining 17
Money Markets 29
Raw materials 28
Stock markets – Bourses 19, 22
– Wall Street 19–22
– London 19, 23–25
Technology 18
Unit Trusts 26–27
Weather 12

Japanese election: suddenly all bets are off 10

UK engineering: the TI barometer swings back 11

East Germany: where bad goods cost more 2

Philippines: the final stage of the debt jigsaw 3

Philips-Grundig: high drama in electronics 13

Management: putting new life into old cars 8

Lombard: more politics for London Transport 11

Editorial comment: Europe's electronics; UK secrecy 10

Lex: Philips-Grundig; Sony; Norcros 12

Italian banking and finance: Survey ..... Section IV

TARGETED ON YOUR GROWTH MARKETS IN 1984

The expert economists and mighty computers of DRI – McGraw-Hill's macroeconomic model facility – have identified the targets for International Management's circulation growth. They should be your growth targets too! Using ten different criteria DRI have selected those countries and industries in each region of the world with above average growth indications over the next 3 to 5 years.

GROW WITH US

Starting January 1984 we will deliver increased decision-taking audiences in key growth markets —

		circulation	audience	increase
INTERNATIONAL MANAGEMENT	English language	108,000	607,600	+ 8%
INTERNATIONAL MANAGEMENT	Europe	70,000	244,300	+ 8%
INTERNATIONAL MANAGEMENT	Asia/Pacific	25,000	343,300	+25%
ALAM AL-IDARAH (Arabic language)	Middle East	22,000	369,900	+10%

Get the strength of INTERNATIONAL MANAGEMENT market-directed circulation behind your advertising.

INTERNATIONAL MANAGEMENT McGraw-Hill House, Maidenhead, Berkshire, SL6 2QL England Telephone (0628) 23431 Telex 848640

France likely to push inflation below 8%

BY DAVID MARSH IN PARIS

FRANCE'S ANNUAL inflation rate looks likely to continue to drop to under 8 per cent by the middle of next year, but employment will carry on declining under the impact of sluggish domestic demand, according to forecasts by the Government's statistics institute Insee.

The institute says the economy this year has benefited from an upsurge in international demand. This has prevented the Government's austerity policy causing an outright recession. The economy is expected to grow by 0.2 per cent on average this year compared with 1982, Insee says in its forecast for the first half of next year. This at least is better than an economic contraction—and improves upon the performance foreseen earlier this year, Insee notes.

Emphasising the lack of stimulus expected from internal policies, Insee warns that industrial production will remain at its current levels in early 1984 only if foreign demand is maintained.

But in an optimistic survey of business opinion published in a separate document, Insee has revised sharply upwards is forecasts for industrial investment in 1984. This is now predicted to grow by 15 per cent in value terms—a rise of well over 5 per cent in volume terms—which would more than compensate for the 4 per cent volume drop between 1983 and 1982.

Insee says the spurt in investment intentions — most marked among large enterprises—partly represents a postponement until next year of spending plans originally slated to be carried out in 1983.

The report says the sharp improvement in France's current account performance—to an estimated deficit of only FFr 4bn (£333m) in the second half of 1983 from FFr 34bn in the first six months—is due above all to a big drop in the trade deficit caused by the domestic economic slowdown and more competitive export prices after the franc's devaluation.

The institute expects consumer prices to rise by 3.8 per cent in the first six months of 1984, only slightly down from the 3.9 per cent increase over the second half of this year. This would bring the year-on-year increase to 7.7 per cent by next June

On the employment front, Insee predicts continued lay-offs in the industrial sector, with an overall 200,000 jobs being lost between mid-1983 and mid-1984.

David Housego visits Talbot's strike-bound production lines at Poissy outside Paris

Car-workers dig in their heels

"UNTIL the management is ready to discuss each redundancy with us on a case by case basis we won't budge from here," says a Moroccan worker. "The strike goes on."

It is mid-afternoon at the large Talbot car plant at Poissy outside Paris. As has so often happened in the past in car disputes in the Paris region, many of the mainly immigrant workers on the production lines have rejected an agreement that has been accepted by their union's national leadership.

Several hundred of the 3,000 workers who showed up this morning at the call of the unions gathered in groups in the assembly shop. Half-made cars hung suspended where theye were 12 days ago when the strike began. Draped from the girders were slogans painted red and written out in French and Arabic proclaiming "No Redundancies" and Peogeot must negotiate."

Union officials believe that letters are already in the post to the 1,905 being made redundant as a result of Saturday's agreement. It is not known on the shop floor who will receive them. The Communist-led CGT union which has a large majority at Poissy and at national level acquiesced in Saturday's compromise says that nobody "will be turned out on to the street." At a minimum, the CGT claims, everyone will be entitled to 6-9 months retraining.

"The training is a trick," says one North African worker. "I have been here eight years and they have never proposed training before. They have dreamed it up now that they are throwing me out." Another adds "I am not going back to nursery school to learn my ABC." Many of the immigrant workers cannot read or write in French

A middle-aged Algerian who declines to give his name says he would be ready to leave if he was paid a proper "departure bonus." "We're being treated like worn out brooms. Now they're finished with us they are throwing us out. But we went our rights."

Word goes round the assembly shop that a meeting is about to begin. On the back of a small truck climbs a fragile woman in black sweater and mauve skirt. She is Nora Trehel, the local CGT leader whom the strike and television appearances have propelled to national fame. While the strike is on she seems virtually in charge of the assembly shop.

Clutching the microphone and speaking in short clear phrases she blames the national Press and radio for saying that the CGT has changed its position and has accepted the redundancies.

There were two positive points, she says, in Saturday's accord between the Government and the Peugeot management—1,000 jobs have been saved and the production of Talbot cars is to continue at Poissy.

Amid cheers she declares that "arbitrary redundancies will not be accepted." The sole path to a solution she says is through the management agreeing to discuss voluntary departures on a case-by-case basis. Each worker would then be offered the possibility of retraining, a transfer to another job or "a departure bonus" for those wanting to return to their country of origin.

Soon after she finishes, M Jean-Pierre Noual, the local leader of the pro-Socialist CFDT union, climbs up on another truck. "Our opposition is simple," he says. We reject all redundancies. The workers here don't believe in retraining programmes and they don't want them. They know they won't find work elsewhere.

At the last union elections at the plant, the CFDT gained only 6-9 per cent of the votes. But, over the past three weeks, their strength has been growing because they have taken a much tougher line at plant level than the Communists.

Poissy is officially shut through the Christmas holidays until January 2. Management and Government hope the strikers will lose heart. Other car industry disputes have ended that way and maybe this one will as well.

Placards on Paissy's halted production lines proclaim workers' opposition to redundancies

Swedish recovery spurred by exports

SWEDEN'S ECONOMIC recovery has developed more quickly than expected thanks to the export boom triggered by last year's 16 per cent devaluation. The current could be in balance next year, in strong contrast to the massive deficit of SKr 22bn (£1.9bn) in 1982 and SKr 7.2bn (£623m) this year, according to the latest economic survey produced by the Swedish Industry Federation.

The report warns, however, that costs must be kept in check if the advantage gained by last year's devaluation is not to be eaten up.

Inflation in Sweden, although lower than feared in the wake of the devaluation, is still running well above levels in most of the country's main trading partners.

The Federation believes that the Government is unlikely to achieve its ambious goal of lowering inflation to only 5.5 per cent next year — compared to a naverage of 8.9 per cent for 1983. Bnt it does expect price rises to increase of some 7.1 per cent next year.

Sweden has achieved a 10.5 per cent rise in the volume of exports this year says the report. This is expected to result in a SKr 10.1bn trade surplus for 1983, a massive swing from last year's SKr 5.7bn deficit. The trade surplus is expected to rise further in 1984 to SKr 16.5bn

The report from one of the leading economic forecasters in Sweden — is more cautious about the prospects for the wider economy, golven the continuing depressed state of domestic demand. Swedish gross national product is estimated to have risen by 1.7 pr cent this year and a further modest increase of 1.6 per cent is expected next year.

Industrial profits have also recovered sharply this year, above all in the export sector of the economy and are expected to continue rising in 1984.

As available capacity is used up through rising industrial produstionn—output is estimated to have increasde trial investment is also show-4.5 per cent this year—industrial investment is also show the almost continuous decline ing signs of recovery after since the mid-1970s. Investment could rise by 6-7 per cent next year, says the report.

Ozal presents plan for liberalisation of Turkey's economy

BY DAVID BARCHARD IN ANKARA

MR TURGUT OZAL, Turkey's Prime Minister, has presented his Government's programme to the National Assembly. It stresses, as expected, the need to develop competitive free market economic conditions and streamline the country's civil service.

The programme will be debated in the 400-member parliament before being put to a vote of confidence on Saturday. Mr Ozal has a working majority of 23 and is not expected to face any difficulty in getting the programme approved.

The Government programme follows last week's major overhaul of the administrative system, which cut down the number of departmental ministries, and drastically pruned the power of the Ministry of Finance.

It stresses the need to find economic policies to solve Turkey's chronic social and economic illnesses, the approach promised by Mr Ozal during his election campaign.

Law and order, unemployment, housing shortages, regional poverty, administrative reform, and tackling inflation are listed as the main targets.

Mr Ozal told parliament that Turkey had to set up a dynamic new system whose rules and structure would work efficiently. He promised strict controls over the growth of the money supply and reduction of the budget deficit.

There are to be new incentives for exporters and further encouragement for foreign investment. As expected, Mr Ozal also promised to ease restrictions on imports, though only gradually.

The Prime Minister told parliament that he also plans to achieve full convertibility for the Turkish lira during the five-year life of the present assembly. Restrictions on foreign exchange transactions and travel abroad will be phased out gradually.

Mr Ozal said the recent declaration of independence by the Turkish Cypriots did not close the way to successful negotiations. Mr Ozal's Government yesterday also unveiled a decree effectively demolishing the interest rate regime set up a year ago by the former finance Minister, Mr Adnan Baser Kafaoglu.

Rates for term money have been increased and those for sight deposits – put up to 20 per cent a year ago by Mr Kafaoglu – have been taken back down to 5 per cent.

Deposits of less than one year will now earn 42 per cent compared to 35 per cent and one-year deposits will rise from 40 per cent to 52 per cent.

● The European Community appears ready for the time being to continue accepting imports on a preferential basis from the Turkish part of Cyprus, despite the "illegal" declaration there of an independent Republic, writes John Wyles in Brussels.

EEC Foreign Ministers acknowledged yesterday that the officially recognised government of Cyprus was changing its official stamp on export documents, and that this would now be recognised on imports from the island.

However, they took no decision as to whether this would be recognised as the only official export authorisation. This leaves member states free to accept imports from the Turkish sector as they have done on an informal basis since the island was partitioned in 1974.

Schlüter well-placed to win snap election

BY HILARY BARNES IN COPENHAGEN

WHEN Denmark goes to the polls on January 10, Mr Poul Schlüter's outgoing centre-right coalition will be in an ideal position to apply for re-election.

Mr Schlüter's four-party coalition was toppled at the end of last week after its 1984 Finance Bill was voted down by an alliance of the anti-tax Progress Party and the Social Democrats, the first calling for bigger budget cuts and the second for increased public expenditure.

The Conservative Party Premier is now preparing to flay the Social Democrats – who have dominated Denmark's free-spending welfare state politics for half a century – for their opportunism: they had not voted against a Finance Bill since 1929.

The Conservatives will also be seeking to hammer the right-wing Progress Party, the Social Democrats' unlikely ally, for its part in bringing down the first non-socialist government in Denmark for eight years.

The first opinion polls, published at the end of last week, point to a triumph for Mr Schlüter. The poll indicated that the Conservative Party would double its vote to 29.7 per cent, putting it level for the first time in 50 years with the Social Democrats, who stand to drop from 32.9 per cent in the 1981 election to 29.9 per cent.

Mr Schlüter's administration has had considerable success in bringing the country's economic problems under control and the voters seem prepared to reward it, especially the popular Prime Minister's Conservative Party.

By reducing a forecast 1983 budget deficit from DKr 80bn ($7.96bn) – almost 14 per cent of gross domestic product – to an actual DKr 62bn, and by suspending the indexation of all wages and salaries and some social welfare benefits, the Government has reduced inflation from 10 to 8 per cent.

It has halved the current account deficit from DKr 19bn to DKr 9bn, stabilised the krone exchange rate and seen interest rates in the bond market dive from almost 22 per cent a year ago to around 13.5 per cent.

To the discomfort of the Social Democrats, the Government's tough fiscal line, which has left its mark in the form of an increase in unemployment from about 9.5 per cent of the workforce to 10.5 per cent between 1982 and 1983, has not paved the way for their return to the government role

The Social Democrats' own alternative to present government policies does not seem to be cutting much ice with the electorate. This is to increase budget spending with an eye to providing more jobs and to finance the increase by raising corporate income tax from 40 per cent to 50 per cent.

The opinion polls indicate that the coalition parties will advance from 65 seats to around 75, but that the Conservatives will gain at the expense of almost everyone else, including Mr Schlüter's Liberal, Centre Democratic and Christian Party colleagues.

The Social Democrats and the Progress Party both seem set to lose seats.

In the present nine-party Folketing there is no majority for either left or right. The balance between the two blocks is held, as it has been for decades, by the social-liberal Radical Party.

The Radicals have supported the Government on economic policy, but caused it problems by voting with the Socialists on foreign policy.

A good election for the coalition parties could end this dilemma by giving the Government enough seats to continue to base its economic policy support on the Radicals and its foreign policy on the Progress Party.

One of the mysteries of last week's vote is why the Social Democrats provoked an election which they apparently have little chance of winning.

Kidnappings take violent turn in Italy

By James Buxton in Rome

A HUMAN ear delivered in a plastic bag. A horrifying photograph found in a refuse bin showing a man with a lacerated face and an ear evidently missing, alongside a woman in chains with the barrel of a revolver against her temple. Italy last weekend seemed to be back in the worst of the era of kidnapping that reached its peak in the 1970s.

When Anna Calisonni and her son Giorgia were kidnapped in November at their home outside Rome it seemed to be just another of the 50 or 60 kidnappings of the rich which have been taking place in Italy every year for the past 10 years. They are cousins of the Bulgari family, owners of Italy's equivalent of Cartiers the jewellers, the head of which, Gianni Bulgari, was himself kidnapped in 1975 and released after payment of a ransom.

But the mutilation of Giorgio, in evident frustration by the kidnappers at the non-payment of the ransom demanded, said to be L3bn (£1.25m), introduces an element of brutality rarely seen since the kidnapping in Italy in 1973 of Paul Getty 3rd, grandson of the immensely rich oilman, and the only other victim to lose an ear.

It also raises the issue of whether, as in this case, the magistrate was right to order sequestration of the family's property to prevent it paying a ransom.

Sig Fermo Mino Martinazzoli, the Minister of Justice said yesterday that it was quite understandable that families would seek a way round sequestration. What the authorities ought to be doing was tracking down the money afterwards. Nearly threequarters of kidnapping cases ended up with convictions.

There has been a rising public concern about kidnapping, which came to a head in the autumn when an 18-month-old girl was kidnapped in Tuscany, and released unharmed by police 40 days later in Sicily.

For many wealthy Italians the threat of kidnapping has long been a part of life. They organise guards and travel in bullet-proof cars.

The bands of kidnappers have concentrated lately on particular areas such as the Veneto, which is full of successful young entrepreneurs. A leading Italian sociologist observed recently that Italy's nouveaux riches fear the tax man more than the kidnapper: "With the kidnapper you can negotiate, and provided you don't see him so as to be able to identify him, you come to no harm. With tha tax man you do not know where you stand."

The kidnappers are mostly Calabrians or Sardinians, affiliated in one way or another with the Mafia, whose tentacles extend throughout Italy. Recent

Carrillo's successor shows staying-power

BY DAVID WHITE IN MADRID

"GERARDO IGLESIAS may have surprises in store," said Sr Santiago Carrillo, the old fox of Spanish Communism, when he handed over a defeated party, one year ago, to an unknown and unassuming coalminer.

It was an unintended prophecy. The one quality Sr Carrillo was not looking for in his successor was staying power. But at the weekend, at the end of the most openly quarrelsome congress in the party's history, Sr Iglesias proved he had it.

The results of elections, which gave Sr Iglesias (38) the backing of two-thirds of the central committee, are misleading, reflecting the way the party apparatus works more than the true balance of power. But they show that Sr Iglesias, even if he lacks the sharp intellect and personality of Sr Carrillo, can match him in wile and nerve.

Until the last minute, his prospects of re-election hung by a thread. He survived a vote on the outgoing central committee's report by only the narrowest of margins and his speech in defence of his policy was coolly received.

As end-of-congress high spirits took over during a four-hour wait for the count, Sr Iglesias sat isolated, pale and fidgety. But 40 minutes after the new central committee was announced, he was a changed man with a new self-assurance.

The one thing Sr Carrillo and Sr Iglesias agree on is that the former made a mistake when he chose the latter. Sr Carrillo's version is that Sr Iglesias proved not to be the transitional leader he hoped for. The Carrillo camp want a more cohesive disciplined party with a strong sense of separate identity, but dissociated from the ruling Socialists and taking fuller advantage of anti-U.S. sentiment stirred up by the Reagan Administration's policies in Central America and the Caribbean.

In Sr Iglesias's view, his predecessor committed the error of thinking he could continue to pull the party strings. He has reaffirmed his aim of hauling the party out of its ghetto and appealing to the supporters who left it in recent years. But he faces an awesome task.

The veteran union leader, Sr Marcelino Camacho made clear that party policy would be "a collective operation" between Sr Iglesias and the others. The remaining posts on the executive which will probably be decided this week will reveal the extent of the constraints on the secretary-general.

The argument has been about the style of Spanish Eurocommunism, but behind the power struggle lies the problem of a faction that rejects Eurocommunism altogether. Sr Carrillo's supporters have argued that the party risks losing militants to a pro-Soviet splinter organisation being set up by Sr Ignacio Gallego by a former central committee member.

PORTUGUESE CLEAVE TO MOSCOW

THE PORTUGUESE Communist Party has reaffirmed its allegiance to Moscow, and its resolve to carry on the 1975 revolution, writes Diana Smith in Lisbon. At its tenth congress, in Oporto at the weekend, the party insisted that although the revolution was "wounded" it would continue, and that recent governments were counter-revolutionary.

Sr Alavaro Cunhal, the 70-year-old leader, was re-elected secretary of the central committee. He held his party to a rigid pro-Moscow line throughout West Europe's Eurocommunist experiments of the 1970s and has been a fierce critic of Portguese governments since 1979 that have tried to dismantle the overmanned, deeply-indebted public sector created by Communist-led nationalisations in 1975.

The presence at the Congress of Mr Mikhail Gorbachev, a prominent member of the Soviet polithuro and one of the candidates tipped to succeed President Yuri Andropov, was a sign of the approval with which Moscow regards the Portuguese party.

IEA urges oil refining capacity cut

By Richard Johns

ABOUT one-third of West European oil refining capacity will have to be closed by 1985-86 if an 85 per cent utilisation rate is to be achieved, according to officials of the International Eoergy Agency (IEA).

bination of over-capacity, little growth in demand, and a likely increase in imports of refined oil from member states of the Organisation of Petroleum Exporting Countries (Opec).

Present utilisation in West Europe is 60 per cent compared with 65 per cent in the Pacific region and 75 per cent in North America.

Throughont in the Pacific region should rise to 75 per cent capacity as a result of closures involving 1m b/d in Japan. The proportion in North America could rise from 75 per cent to around 80 per cent taking into account forecast increases in demand for products.

Crude oil distillation capacity in the Organisation of Economic Co-operation and Development area fell from about 47m barrels a day in 1979 to just over 41m b/d at the end of 1982, according to a recently completed IEA study. It is expect to fall to 39m b/d by the end nf 1985.

Over the next two years Opec is expected by the IEA to increase its exports of refined products from about 1.2m b/d to 2m b/d.

West Berlin urban rail accord

By Our Berlin Correspondent

EAST GERMANY and West Berlin have reached surprisingly quick agreement on one of the knottiest post-war problems in divided Berlin. The West Berlin half of the S-Bahn, the urban elevated railway, is no longer to be operated by the East German Reichsbahn but by West Berlin instead.

The four second World War allies in 1945 made the Reichsbahn legally responsible for operating the urban railway in all nf Berlin, a status which remains untouched by the accord.

The Western allies call the agreement, which is to be initialled shortly, a sign of the East's apparent willingness to compromise and to continue the process of detente.

East Germany, which said it pumped DM 1.5bn (£380m) in subsidies into the loss-making S-Bahn, wanted payment from the city for the transfer. But it quickly abandoned this negotiating tack when West Berlin said it had no money for the purpose.

Instead, East Germany will receive an annual payment for the long-distance trains it operates through West Berlin. The main benefit for East Germany is that it will no longer have to subsidise the S-Bahn in the West which it has largely shut down for this reason.

West Berlin intends to revive the S-Bahn, which it regards as a symbol of Berlin's unity, at a cost of DM 1bn from the Bonn Government.

Hungarian minister visits Bonn

BY OUR BERLIN CORRESPONDENT

HUNGARY'S Foreign Minister, Mr Peter Varkonyi, begins an official visit to Bonn today for talks with Herr Hans Dietrich Genscber, his West German counterpart, on ways the Europeans might help overcome the political impasse between Washington and Moscow.

Mr Varkonyi is the first East European foreign minister to visit West Germany since the Bundestag's vote last month to proceed with the installation of new U.S. missiles. At a meeting with Herr Genscher in September at the United Nations, he spoke of the need to overcome the dangerous absence of a dialogue between the superpowers.

West Germany has good relations with Hungary and the two sides are expected to discuss the planned visit to Budapest by Chancellor Helmut Kohl in the spring. Mrs Margaret Thatcher, the British Prime Minister, is also scbeduled to visit Hungary next year.

West Germany is Hungary's leading Western trade partner, exporting DM 2.6bn to Hungary last year and importing DM 1.8bn. Exports this year are expected to fall to DM 2.3bn because of Budapest's payments problems, while imports remain the same.

East German shops: where bad goods cost more

BY LESLIE COLITT IN BERLIN

ACCORDING to the East German government, production of "high quality" consumer goods has become a priority goal. But to the consumer, things were better ten years ago. Visiting Hungarians and Czechoslovaks comment on the poor variety and high prices compared with their own shops. The drive to export at all costs has lowered the hard currency debt but has clearly taken its toll on East Germans.

A visit to the Centrum department store on East Berlin's Alexanderplatz illustratea the position. Shoppers in East Germany's best-stocked department store are confronted with merchandise which would be impressive in Moscow, but which is a source of endless frustration to East Germans.

● A shapeless red wool woman's coat sells for 365 East German marks ($137) and an equally unfashionable jacket costs 523 marks. The purchase of both would almost eat up an average East German woman's monthly wage of 1,075 marks. In West Berlin the prices of similar clothes are far lower although average incomes are nearly 2½ times higher. An olive drab wintar jacket, for instance, sells at 263 marks everywhere in East Germany; in West Berlin a virtually identical jacket goes for DM80. (Both marks are worth about 3.94 to the pound.)

● A black and white television set with a 23 inch screen sells for 2,250 marks ($855) in East Berlin, but costs less than DM 300 in West Berlin. Equally frustrating, a Hungarian-made portable television sells for DM 175 in West Berlin but for well over 1,000 marks in East Berlin.

The portable radios and cassette tape decks displayed in Centrum's hi-fi department remind one of those made in the late 1960s—bulky, poorly designed and badly made. The most basic tape deck costs five weeks' average wages and two months' wages are needed to buy an oversized East German chess computer game whose much smaller Far Eastern counterpart in West Berlin costs DM 50.

● A small washing machine made in East Germany sells for 2,750 marks at the Centrum; abroad, sold under another label in the West, the same machine costs less than one fifth.

● A new car requires patience as well as money. In the south western part of East Germany, the tiny two-cylinder Trabant—Eastern Europe's Volkswagen is now being delivered to customers who ordered it in 1972. Waiting lists for the 20,000 mark East German-made Wartburg, also powered by a two-cylinder engine, are even longer because difficulties in importing Soviet Lada cars reduce the overall number of vehicles on the market. These difficulties stem from East Germany's growing trade deficit with the Soviet Union.

If an East German is fortunate enough to have a generous relative in tha West who can buy him a Wartburg (only DM 9,400), he will get immediate delivery. East Berliners hardly notice a large sign over the entrance to the car repair centre in Schoenhauser Allee saying: "Everything for the good of the people and for peace."

Balancing the high cost of consumer goods are the heavily subsidised prices East Germans pay for rent (90 marks a month for a three roomed flat, compared with an equivalent of around DM 450 in the West), public transport fares and other essentials. Sixteen per cent of the East German budget next year will be devoted to artificially maintaining these prices, an article of faith to the East German leadership.

Most East Germans take the subsidised basics for granted, however, while grumbling over high prices for nearly everything else. They believe that the least the Government can do is provide cheap housing and other essentials if it cannot pay higher wages and provide lower-priced, well-made consumer goods.

East German pensioners, understandably, are the most satisfied with the present system, but the majority of East German families, which have two incomes, would opt for cheaper cars and more of them. The problem is exacerbated by the wealth of consumer goods shown each right in East German homes on West German television commercials.

East Germans have always complained that the country's best consumer goods are exported to the West. But now the East German leadership is calling on the population to raise industrial productivity next year by a steep 7.3 per cent while personal income is expected to rise by only 2.2 per cent.

Just how the Government intends to obtain such an improved performance from a workforce which is being offered a smaller income in terms of the inflation rate and fewer goods at continued high prices is unclear. It is doubtful that continued stable prices for basic goods and services will be enough to satisfy East Germans for much longer.

FINANCIAL TIMES, USPS No 190590, published daily except Sundays and holidays. U.S. subscription rates $420.00 per annum. Second class postage paid at New York NY and at additional mailing offices. POSTMASTER: send address changes to: FINANCIAL TIMES, 75 Rockefeller Plaza, NY, NY 10019.

ISRAELIS STRIKE AT TRIPOLI

Cargo vessel "My Charm" ablaze in Tripoli

Arafat's evacuation hopes suffer setback

BY PATRICK COCKBURN IN TRIPOLI

THE TRIPOLI fire brigade was directing a thin jet of water at the blazing stern of a small cargo vessel called "My Charm" moored at the quayside in Tripoli early yesterday. The old name, "Derola," was painte dout.

A few bours earlier, four Israeli gunboats bad beavily shelled the port, sinking the burnt-out hulk of one ship and setting "My Charm" ablaze. The little ship had appeared overnight, presumably to pick np heavy weapons belonging to Mr Yassir Arafat's lovalist figbters of the Palestinian Liberation Organisation, whose departure was postponed yesterday because of the shelling.

The attack was more serious than previous pinpricks by the Israeli gunboats which hover off the coast. On five previous occasions they had contented themselves with harrassing fire aimed in the general direction of the PLO.

It remains uncertain whether the Israelis are prepared to see tbe evacuation of Mr Arafst and his 4,000 men take place. At tbe genamrie headquarters, Mojor Zein, who commands the poramilitary police in Tripoli, said be thought that the Israeli attack was aimed primarily at preventing the removal of Mr Arafat's heavy weapons.

These are less impressive than they sound. A few old Soviet T-54 and T-55 tanks guard the earth embankments which protect Tripoli from attack by PLO rebels to the north, but these have long ago run out of ammunition, say PLO leaders.

There are, in eddition, some light anti-aircraft guns which can also be used in a ground-support role, multiple rocket launchers on trucks and heavy mortars. It is not an impressive arsenal and similar weapons could be secured again by Mr Arafat.

It was, therefore, little sacrifice for Mr Arafat, grinning more broadly than ever, to announce in his headquarters early yesterday that be bad decided to band over these weapons to the Lebanese army.

As his bodyguards fought to hold back a crush of reporters and television crews he added thet he had asked the Greeks to delay the arrival of their ahips because of the Israeli attack.

There is no donbt that Mr Arafat and his senior aides want to get out. They feel they have won all the political tricks they can from the PLO rebels and the Syrians and do not want to become trapped by a renewed rebel offensive with the sea and Israeli gunboats behind them.

The Greek Government said yesterday that it was asking for renewed guarantees of safe passage from "all interested parties" to facilitate the evacuation nf Mr Yassir Arafat, AP reports from Athens.

In some of the front line positions, members of the Lebanese gendormerie ear already deployed. Major Zein, whose slightly melancboly figure was to be found until recently in almost deserted police beadquarters building, says he has stationed 500 men in Tripoli and on the road to the port to safeguard Mr Arafat's departure.

When the five Greek ships, still at anchor at Larnaca, yesterday—10 bours sailing time oway—arrive in Tripoli, Mr Arafat's men will gather in five plsces. Lebanese army lorries will pick them up and carry them to the port.

A Lebanese militiaman who was going home after fighting alongside the PLO said that he expected they would leove quickly. Once they draw back from their positions they become vulnerable to attack and will want to get out as fast as they can.

Delight in Tel Aviv that 'terrorists sweat it out'

BY OUR TEL AVIV CORRESPONDENT

ISRAELI officials yesterday declined to give on-the-record comments on Mr Yassir Arafat's decision to delay the international evacuation operation, but showed their delight st "making the terrorists sweat it out."

The Israeli Navy first started shelling Arafat positions around Tripoli on December 8. Officials have acknowledged that Israeli interference must cease once Greek ships flying the UN flag begin evacuating the 4,000 Arafot guerrillas.

"In the meantime, we can show our abhorrence that these terrorists should be escorted ont likely heroes, one official said.

Israel has bitterly condemned the United Nations for providing the protection of its flag to the evacuation ships.

There has been considerable internal debate, bowever, over whether Israeli interests are best served by the dispersal of the 4,000 Arafat guerrillas or leaving them in Tripoli, surcounded by Syrian-backed PLO rebels.

Pakistan's economic recovery 'at risk'

By Mohammed Aftab in Islamabad

PAKISTAN'S spiralling inflation rate and a woefully low level of savings is threatening the country's fragile economic recovery, occording to the country's central bank.

Lower imports and increased exports, have helped President ul-Haq'a regime to trim its chronic current sccount deficit.

Pakistan's industrial sector bas been struggling to stay afloat in the face of—until very recently—continued political unrest which has seriously affected production in the Sindh province. The State Bank urges "a stepped up effort to improveexport competitiveness.'

The authoritative review of the economy in fiscal 1982-83 (year-ended June 30 1983) by the Central Bank also emphasised yesterday that effective steps ore needed to ensure a wider income distribution.

Despite its declining authority, as a result ot constant interference from the Finance Ministry, the bank's views are still considered fairly independent, though some of its data collection tools are as faulty as those used by the government itself.

The Government of President Zia has maintained that it brought the inflation rate down to s single digit since it imposed martial law and seized power in July 1977, from s 15 to 20 per cent annual average during the executed Prime Minister Zulfikar Ali Bbutto's rule in 1971-77.

Independent economists, bowever, challenge the government's inflation rate figures, and maintain that it has by now bounced back to a more alarming level of 20 to 25 per cent a year.

The low inflation rate claimed by the government is based on incomplete cost of living indices, and a consumer basket which dates bock virtually to the Raj

The State Bank advocates "a relentless effort" to step np domestic savings which are critically important in the present international aid environment resulting in low ovailsbility of all types of funds.

Commenting on a 5.8 per cent annual growth of GDP, ot constant factor cost, up from 5.6 per cent in 1981-82, the report urges "a meaningful and equitable distribution of income, and o reduction in the poverty level."

Pakistan's per capita income in constant prices (of 1959-60 equals 100) bas remained in the Rs 650 to Rs 700 range for the last four years, while it moved from its Rs 2,482 to Rs 3,500 over that period.

On the plus side, the bank notes a "significant" increose in private investment, but added that the rate of gross investment bas slowed as a result of sluggishness in the rate of the state sector investment.

Exports rose by 13.3 per cent to $2.63bn, while imports declined by 4.1 per cent to $5.53bn. Tbe trade gap, as o result, shrank to $2.91bn, from $3.45bn a year earlier.

The current account balance of payments recorded a deficit of $435m—a considerable impcovement from s $1.5bn deficit in 1981-82. When the long-term capital account (net) is considered the net basic balance indicated a $430m surplus in 1982-83.

The gold and foreign exchange reserves increased from $1.5bn on June 30 1982 to $2.8bn s year later.

Delays in debt talks may fuel tensions, writes **Chris Sherwell**

Manila prepares for big bailout

NEGOTIATIONS on a multi-billion dollor rescue package to bail the Philippines out of its $25bn debt crisis are poised at a delicate stage. Although final pieces of the jig-saw are now being moved into position, several details remain to be settled.

The delay that this entails—it was originally boped that a deal would be in ploce by mid-December—is increasing concern among bankers, businessmen and diplomats about a fresh burst of political tensions as workers are put on to shorter working weeks or laid off altogether because of the halt in imports.

The crisis was precipitated by a bnge outflow of so-called "fright" capital in the weeks following the assassination of the popular opposition leader Benigno Aquino in August.

But it is now generally agreed that the omens of trouble on the debt front were clearly visible months earlier, as Philippine government agencies and banks borrowed increasing amounts of short-term debt to meet their foreign obligations.

Western bankers acknowledge that the signs were missed, and express surprise that the Government did not call a moratorium on principal repayments of its escalating commercial debt much sooner than October 17. More significantly, the Government has now confirmed the seriousness of the present crisis: the Philippines bas also failed to pay interest on the commercial debis since October, despite its promise to do so.

Negotiations since the announcement of the moratorium bave been conducted on three fronts: with the International Monetary Fund, with a 12-bank advisory committee representing some 350 commercial bank creditors, and with governments and multilateral lenders sucb as the World Bank and the Asian Development Bank.

The fond hope is that a repeat of the Brazilian experience can be avoided, and that in a single operation the problems of the Philippines economy can be confronted without the risk of an unexpected default.

Inevitably, several key participants are withholding final agreement until the terms of an IMF package are in place. In turn, the Fund's work is being complicated by apparent deficiencies in the statistics it has to work on (an IMF team is now in Manila gathering more data and assessing whether its proposed economic targets are realistic).

Manila admitted to an external debt of $18bn until just a few weeks ago. Then it confirmed that the figure was $24.9bn, and last Friday Mr Cesar Virata, the Prime Minister, acknowledged that there were additional foreign obligations which did not count as debt but which amounted to some $1.5bn.

Some Western bankers in Manilo believe that Mr Virata's closest government ally in the debt negotiations, Mr Jaime Laya, the Central Bank governor, bas found bis credibility impaired by the confusion over figures.

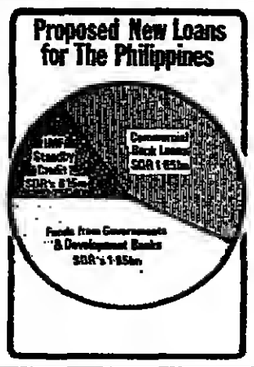
At one point in the past three months, the Central Bank is believed to bave been forced to adjust its reserve figures by $500m because of a fault in the way they were being recorded.

Nevertheless, once the IMF plan is submitted to the Fund's Executive Board, the other elements of the bail out will be finalised. All this is now scheduled to occur in January. As matters stand, the IMF will provide a standby credit of SDR 615m (£449m), and in return the Government will impose a conventional IMF austerity programme.

This is expected to incorporate controls on the size of the budget deficit and curbs on domestic credit, but probably not a further devaluation of the peso, whose exchange rate has fallen fcom 8.4 to the dollar in the middle of last year to 14 at present and close to 20 on the black market.

Agreement on the IMF money will permit commercial banks to put the finishing touches to their own package. This comprises new money totalling $1.65bn, a resebedulling of existing medium and ong-term debt amounting to $2bn and a collover of revolving trade credits worth more than $3bn.

Two Philippines opposition groups called yesterday for a national boycott of the May 1984 parliamentary elections saying they were a trick to streogthen President Ferdinand Marcos's rule, AP reports from Manila. The Nationalist Alliance, beaded by former Sr Lorenzo Tanada, and the movement for Philippine Sovereignty and Democracy — locally called Kakbay —led by Jose Diokno claimed in separate statements that the elections were also designed to preserve U.S. interests in the Philippines.



Manila bas also said it is seeking $1.65bn in fresh funds from other governments and the development banks. A $83m tranche of a World Bank structural adjustment loan wos released recently, and up to $200m will be available in 1984 to finance raw material imports.

A sum of up to $150m from the World Bank and up to $130m from the Asian Development Bank has also been earmarked for the import of agricultural inputs such as fertiliser, and both agencies are apparently ready to advance money for development projects amounting to more than $50m.

It is understood that these two ogencies are including some politically sensitive conditions.

In addition, the Manila government hopes to receive more thon $1bn through direct bilateral help, priocipally from the U.S. and Japan. A meeting of the Paris club of industrial country donors is likely in February.

Tbe Philippines would like a rescheduling of some of its repayments on loans from the U.S. Agency for International Development (AID) and Japan's Overseas Economic Cooperation Fund.

Several U.S. agencies, including AID, the Commodity Credit Corporation, Ex-Im Bank and the Economic Support Fund, have odvanced or pcomised a total ot $370m for a variety of purposes.

Japan has been asked to convert $250m earmarked for 12 projects into straight balance of payments support. This is still under discussion, but reports from Tokyo suggest the response will be positive. Japan's Ex-Im Bank is also likely to furnish up to $200m worth of credits

President Marcos bas yet to prepare the country's 52m people for the tough austerity pcogramme which be will have to implement in return for this financial support.

Shake-up plan for Australia's top jobs

By Colin Chapman in Canberra

A SHAKE-UP of the Australian public service, giving MPs greater control over appointments, is proposed by the federal government in a White Paper, which was published yesterdoy.

Departmental heads would be appointed by the Governor-General on the recommendation of the Prime Minister, and only have a tenure of five years. After that, they would be shifted or retired, although some terms ot office could be extended.

The top strata of the career public service, known as the Second Division, would be abolished in tavour ot a Special Executive Service, where all jobs would be open to outside competition.

This move is designed to encourage more interchange between business, commerce and industry and the Canberra bureaucracy.

The appeals system for senior jobs, under which all promotions are only provisional until completion of a lengthy review by a committee, would be abolished. At present even those who did not apply for an advertised vacancy have the right of appeal.

Ministers will be able to hire more outside consultants, and both they and MPs will be able to choose their own staffs.

Secret service chief resigns

MR JOHN RYAN, director of the Australian Secret Intelligence Service (ASIS) resigned yesterday, writes Michael Thompson-Noel in Sydney.

His resignation follows a bungled mock-terrorist raid on Melbourne's Sherriton Hotel by 12 armed ASIS agents earlier this month.

Sri Lanka move to defuse tension

BY MERVYN DE SILVA IN COLOMBO

PRESIDENT Junius Jayewardene of Sri Lanka tomorrow launches his first big political effort to contain the country's racial tensions and to negotiate a settlement with the separatist Tamil United Liberation Front (Tulf) on the vexed issue of minority Tamil demands for regional autonomy.

Tomorrow's eight-party conference comes five months after the ugly outburst of anti-Tamil violence that cost about 400 lives. The state insurance corporation said yesterday that it has received compensation demands from Tamil factory owners and shopkeepers exceeding Rps1.4bn ($55m).

Mrs Bandaranaike, the former Prime Minister, who returned home on Saturday after medical treatment in Yugoslavia, will not attend the talks, but her Freedom Party (SLFP) will participate.

"Without civic rights, I am a second-class citizen and hardly competent to discuss important national issues," she said yesterday.

Her party, however, will support President Jayewardene's idea of inviting the Tulf party for an all-party conference after Christmas. The question of Tulf participation ot the next conference is the main topic of tomorrow's talks, which will also decide on a formal agenda for the second round.

Several smaller opposition parties will attend tomorrow's talks.

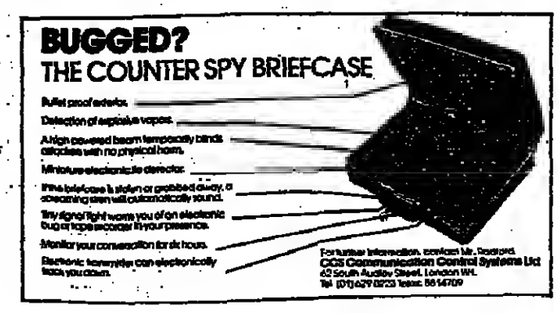
President Jayewardene rejected an opposition request to invite the Peoples Liberation Front (JVP) and the Trotskyist NSSP. Accused of involvenment in the July riots, these two parties are banned, and their leaders in hiding. The Tamil Federal Party, s constituent member of the Tulf party, declined government invitations after it consulted the Tulf leaders, now in Madras.

Tomorrow's meeting will not take up any substantive issues like regional antonomy, land settlement, educotion, jobs, langusge snd the powers of the proposed regional councils, all issues to be negotiated with the Tulf party.

These questions emerged in talks in New Delhi between Mr Jayewardene and Mrs Indira Gandhi, and in Colombo with Mrs Gandhi's special envoy, Mr G. Parothasarathi.

It is already clear that the two most sensitive issues are the right of proposed regional councils to amalgamate ond the powers that these council sbould have. Last week, six Buddhist prelates warned tbe government not to concede the right of amalgamation and to vest only limited powers in the councils.

BUGGED?
THE COUNTER SPY BRIEFCASE



For further information contact Mr. Rosford.
CCS Communication Control Systems Ltd
62 South Audley Street, London W1.
Tel (01) 629 0723 Telex: 8814709

ACT BY 31 DEC.

The first £70 a year of interest from a National Savings Ordinary Account is free of all UK Income Tax and Investment Income Surcharge. For example, if you deposit £1,167 before the end of December 1983 and keep it in for the whole of 1984, you will receive the full tax-free benefit of £70. Husbands and wives are each entitled to this amount of tax exemption.

EARN £70 TAX-FREE INTEREST

GUARANTEED RETURN

The Ordinary Account offers a guaranteed return of 6% p.a. on balances maintained at £500 or more for the whole of 1984. Whatever happens to other interest rates in 1984, this one will not change.

WHAT TO DO

- Open or top up your account so that you have a balance of £500 or more by 31 December 1983
- Keep a balance of at least £500 from 31 December 1983 to 1 January 1985 – and you will get the guaranteed rate of 6% p.a. Additional deposits will also earn the 6% rate for each whole month of 1984 the money is earning interest.

(Other balances will earn 3% p.a.)

Husbands and wives are each entitled to this amount of tax exemption

READY ACCESS

We offer a guaranteed return and ready access to your money. You may draw from your account whenever you want – to earn the 6% all we ask is that you keep at least £500 invested for the whole of 1984.

ACT BY 31 DECEMBER

To qualify for this attractive 1984 opportunity, invest before the end of December 1983.

You can open a National Savings Ordinary Account at the Post Office. If you pay by cheque, make it out to "The Post Office" and cross "A/C Payee."

NS

NATIONAL SAVINGS–ORDINARY ACCOUNT

WORLD TRADE NEWS

Paris likely to urge cross-Channel optical fibre link

BY DAVID MARSH IN PARIS

FRANCE SEEMS likely to put forward for discussion with the British Government in coming months an ambitious plan for an optical fibre communication link between London and Paris.

The plan, revealed by Paris officials close to M Laurent Fabius, the Industry Minister, has a high symbolic value and would also represent a significant chance for British and French companies to collaborate on bidding jointly for submarine cable contracts.

The project is the latest in a series of ideas being pushed vigorously by the French Government for stronger communications and energy links between Britain and France. Apart from work going on now for a two-way electricity cable to swap off-peak power between Electricite de France and the Central Electricity Generating Board, discussions have also been taking place on the idea of a cross-Channel gas pipeline.

French officials would like a London-Paris optical fibre cable to precede the laying down of extensive cable TV networks in Britain and France in order to establish a central axis for the two countries' individual systems.

They say the link could be used for purposes such as transmission of business documents, exchange of TV programmes and — a symbolic if not evidently profitable notion — video-phone communications between Mrs Margaret Thatcher and President Francois Mitterrand.

British officials however, take take a more prosaic view of the uses of a London-Paris link. They say the idea would probably be worth exploring only when the commercial need—for extra telephone and data links between the two capitals, for instance—arises "It's a nice idea at the symbolic and presentation level," said one official. "But someone's got to pay for it. It's not very likely in the short run."

The British Government is also likely to point out that an optical fibre link could partly duplicate TV and telephone transmission links being served already by the family of European satellites being put into orbit by the European space telecommunications organisation Eutelsat.

EEC to bring forward planned tariff cuts

BY PAUL CHEESERIGHT IN BRUSSELS

THE EEC yesterday made a gesture towards checking the spread of protectionism by agreeing, under certain conditions, to accelerate a series of planned tariff cuts.

Foreign ministers of the Ten, meeting in Brussels, also undertook to remove quantative import restrictions on imports from the poorest countries.

The tariff cuts were agreed during the 1970s round of multilateral trade negotiations. At that time the industrialised nations said they would reduce industrial tariffs in eight stages from 1980 to 1987.

The EEC, however, made its cuts from 1985 onwards conditional on the state of its economic health. Ministers have now refined this condition.

They expect economic growth to move up to 2 per cent a year and if this trend is confirmed next autumn, they will make the 1985 and 1986 tariff cuts together at the beginning of 1985.

But the EEC will not act unilaterally. It will accelerate the tariff cuts provided other nations in the Organisation for Economic Co-operation and Development do the same thing. Japan in fact is already one annual stage in advance.

The impact on international trading patterns of the speeded tariff cuts will not be very marked. Industrial tariffs are already at a low level and the major constraints to trade have been non-tariff barriers.

But the EEC attaches importance to speeding up the Tokyo Round cuts because that would be a signal of the general desire to roll back protectionism, as the leading economic nations agreed at their Williamsburg summit earlier this year.

Computer deals race in India nears end

By John Elliott in New Delhi

Control Data Corporation of the U.S. and Bull of France have been shortlisted by the Indian Government for a computer development project worth up to $30m which is intended to provide the country with most of its large and medium sized main frame machines in the next few years.

At present Control Data is thought to be ahead in the race, but negotiations are continuing with the Indian Government trying to insist on tough terms.

The contract is being placed at a time when the Indian computer and general electronics industries are being opened up to international technical collaboration for the first time.

The market it expanding rapidly. Sales of mini and micro computers have doubled for the past two years. Some 1,500 units were imported this year and a further 1,000 made in India. When the main frame project is under way, the Department of Electronics in New Delhi expects that about 30 per cent of the $600,000 cost of each computer will initially be imported.

It is planned that about 100 computers will be produced within two or three years by the foreign collaborators, in partnership with a new Indian public sector corporation linked loosely with the existing Government - owned Electronics Corporation of India.

The Government will probably discourage imports of similar computers when production has started. At present about 30 to 50 mainframe computers are licensed for import every year but the potential market is much larger because most work already computerised in developed countries is done by hand in India.

An order for Control Data would give the U.S. re-entry into the Indian computer market following the acrimonious withdrawal of IBM from the country in 1977-78. The Indian Government wanted IBM to dilute its ownership of its Indian company.

Andrew Fisher reports on the sharp decline of ship orders

EEC prepares defence of shipyards

EEC OFFICIALS, alarmed at the said state of the European shipbuilding industry, are looking hard at ways of directing future government aids to boost productivity and prevent yards from being totally swamped by cheaper Far Eastern competition.

The industries of member states have cut capacity and jobs sharply in recent years. But this year has proved disastrous for most EEC yards, with Japan and South Korea picking up most new business.

In the early months of 1984, therefore, several ideas which have emerged during talks between Brussels officials, governments and the industry could be refined and made ready for action.

These include linking financial support to investment in new computer, laser welding, and other techniques, expanding joint research and development programmes, and making favourable credits available for any EEC shipowners to place orders in any EEC yard. Further capacity reductions would also be required.

EEC shipbuilding industries had never had less than 17 per cent of the world order inflow until 1983. But figures for the first nine months show they pulled in only 9.8 per cent of new orders compared with 51.5 per cent for Japan and 16.1 per cent for the fast-growing Korean yards.

The world order book has actually grown slightly this year, due largely to a massive order placed by the loss-making Sanko Steamship at Japanese yards. The European industry, and many shipowners, are highly critical of this order, which the Japanese say was commercial and not directed by the Tokyo government to help the domestic industry.

But most of the ire of EEC officials and shipbuilding managers is now directed at Korea, where prices are much lower even that those of Japan and which has been expanding its industry during a time of deep crisis.

Persistent

"The crisis in the shipbuilding industry has deepened with no sign of improvement over the next two years," said a special report by the EEC Commision in September. It referred to "the persistent and indeed growing over-capacity in the sea transport sector."

Any general economic recovery — shipowners have recently reported an uplift in trade on some routes—would take time to reduce the capacity surplus "and cannot be expected to put an end to the problems from which the shipbuilding industry is suffering."

The heavy losses suffered by nationalised British Shipbuilders, which expects a trading deficit of £120m in the financial year to March 31, 1984, show the severity of the problems in the EEC industry. West German yards are also in trouble.

In Tokyo this month, EEC officials pressed the Japanese on the size of their market share and also asked if they intended to try and persuade the Koreans to moderate their drive for business.

The exchanges occurred at a meeting of the Organisation for Economic Co-operation and Development's working party on the indnstry. Since Korea is not an OECD member, there is no direct way of putting pressure on it.

EEC officials who were at the talks later said the Japanese were uncompromising and did not respond to suggestions that they should try to persuade Korea to help push up world prices for new ships, which have fallen some 30 per cent in the last two years.

Prompted by the dire state of merchant shipbuilding in the EEC and the poor prospects for jobs, the European Parliament last month passed a resolution urging the EEC Commission to take action.

Last week, this was followed with a telegram to M. Gaston Thorn, president of the EEC Commission, from the Socialist Euro MPs, asking for shipbuilding to be declared in "a state of manifest crisis." One of this 125-member group, Joyce Quin of South Tyne and Wear, a major UK shipbuilding area, said action needed to be fast. Agreement on new productivity methods would not close the huge cost gap with the Far East.

Sceptically

"The trouble is," she added, "the wheels grind so slowly." Not all Brussels officials concerned with shipbuilding hold the same views about what should be done, though they generally agree about the need to act.

The home credit scheme for example is regarded sceptically by some. If agreed, it would enable contracts to be financed in any EEC yards by EEC owners at terms better than those agreed by OECD members for export orders, which allow 8 per cent interest for a loan of 80 per cent of the vessel's cost repayable over 8½ years.

The aim of such a scheme would be to treat the whole of the EEC as a home market for shipowners in member states. But details of how it might be operated have still to be worked out. This year,

Canada, Japan back credits for Jamaica

By Canute James in Kingston

TWO state-owned utility companies in Jamaica have received suppliers' credits totalling $53.8m to allow them to purchase equipment from companies in Japan and Canada.

The Overseas Economic Co-operation Fund of Japan is backing $40m in credits for the Jamaica Public Service Company, the island's sole electricity producer, for purchasing two slow speed diesel generators of 20 MW each. The Jamaican company will also be purchasing $6m worth of assorted equipment from the Montreal Engineering Company under credits granted by the Export Development Corporation of Canada and $7m credit will go to the Jamaica Telephone Company to purchase switching equipment from Northern Telecom and the Mitel Corporation, both of Ontario.

Iran buys Toyota Landcruisers

Toyota Motor Corporation said it has won a large order from the Iranian Government for its four-wheel-drive Landcruiser, Reuter reports from Tokyo. The company declined to put a size on the order but the financial daily Nihon Keizai Shimbun said Iran had ordered 7,200 Landcruisers worth more than Y20bn (£50.1m) to be shipped by next March.

Burma power deal

NORCONSULT, a Norwegian civil engineering consultancy firm, has won a contract worth nearly £3m from the Electric Power Corporation of Rangoon, Burma, to plan and manage the implementation of a major power transmission projects, Fay Gjester writes from Oslo.

Hydro-electric order

A Japanese-Indonesian consortium has won a Y35bn (£88.8m) order from the Perusahaan Umum Listrik Negara, Indonesia's electricity board, to build a hydro-electric 500,000 kW power station in Cirata on the Citarum river, Java, by early 1988, Mitsubishi Corporation said, Reuter reports from Tokyo.

The consortium comprises Taisei Corporation, Mitsubishi and P. T. Pembangunan Perumahan of Indonesia.

Caribbean dilemma over tax deal

BY CANUTE JAMES IN KINGSTON

SEVERAL countries in the Caribbean, eager to be beneficiaries of a U.S. trade incentive programme scheduled to start on January 1, are finding that they are being asked to bow to Washington's demand for tax information on U.S. clients of offshore banks.

The Caribbean Basin Initiative (CBI), sponsored by the Regan Administration, offers about 25 politically favoured countries in the region duty free access to the U.S. market for a wide range of products for the next 12 years.

The Caribbean dilemma is centred on a tax pact which the countries are being asked to sign with the U.S.

The agreement would allow U.S. business organisations tax credits if they held their conventions in countries designated by President Reagan as CBI beneficiaries. The U.S. State Department has put the U.S. convention tourist market at 10m tourists per year, with a potential worth of $5bn.

Allowing the U.S. Internal Revenue Service (IRS) access to confidential information on clients of the region's offshore banks would erode the basis of confidentiality on which the region's valuable offshore banking trade has developed.

The U.S. interest is based on the belief — on certain knowledge, claim U.S. Government officials—that illegally earned funds are being laundered by U.S. citizens in Caribbean offshore banks.

Caribbean countries caught between this rock and a hard place, have not been hiding their feelings. Mr Hudson Tannis, the Deputy Prime Minister of St Vincent, recently told Washington he had no intention of signing the tax pact. His country, he said, had made significant advances in cleaning up its image as an offshore banking centre, and did not intend to give the IRS access to confidential information on banking.

Mr Tom Adams, the Barbados Prime Minister, has been far from happy with the access the IRS will have to information on offshore banking clients in exchange for a piece of the convention tourist trade. Signing the treaty, said the Prime Minister, "would require the disclosure of information which normally could not be made available for a foreign government under local law."

According to Mr Linden Pindling, the Prime Minister of the Bahamas, his country could gain $55m per year from the convention tourist trade, but allowing the IRS to prowl in offshore banks would severely damage an industry from which the Bahamas gains $300m a year.

Fish sales lead boost in Norway exports

By Fay Gjester in Oslo

BOOMING Norwegian sales of fish products to foreign markets —particularly the U.S.—are helping to push Norway's traditional exports to record levels this year. There has also been a steep rise in sales of aluminium and magnesium.

In the first 11 months of 1983, exports of goods other than oil, gas and ships were worth NKr 53.6bn (£5bn)—NKr 6.7bn higher than in the same period last year. At constant prices, this represents a rise of about 10 per cent.

Sales of fresh and bulk frozen fish and shellfish from January to October totalled 73,000 tonnes worth NKr 1.6bn, about twice as much as in the same period last year. Increased U.S. purchases of shrimps, trout and salmon were responsible for much of the rise.

AMERICAN NEWS

Transport safety review ordered

By Stewart Fleming

THE REAGAN administration has ordered a review of safety standards in the transportation industry in response to fears that the deregulation of sectors such as the airlines may have caused standards to slip.

Mrs Elizabeth Dole, Transportation Secretary, said that she would not tolerate any erosion of safety in transportation. The U.S. has recently also seen moves to relax standards in road haulage and rail transport. Consumer groups have argued that cuts in the number of inspectors have reduced the effectiveness of safety regulation in these industries.

The proliferation of small airlines that have started as a result of deregulation are causing the greatest concern. Competitive pressures have reduced profitability, resulting in, for instance corporate cost cutting measures.

Deregulation enabled easier entry into the industry and eliminated Government-opposed restrictions on routes, but was intended to retain safety regulation.

New Colombian law enables Betancur to seek further loans

BY ROBERT GRAHAM IN BOGOTA

COLOMBIA is expected to seek three loans totalling over $300m (£563m) in the next six months. This follows approval by Colombia's Parliament on Friday of a new law permitting the Government of President Belisario Betancur to increase the country's foreign public debt by $4.8bn over the next two years.

Approval for the new law was essential as a precondition for seeking new money since the Government had almost its limit on foreign borrowing. "We had less than $20m before reaching the ceiling," Sr Edgar Gutierez Castro, the Economy Minister, said.

He added that if the legislation had not been approved, it would have wrecked plans agreed with the Paris Club earlier this year for total foreign borrowing between 1983 and 1986 of $9.6bn.

Colombia's total foreign outstanding debt is $10bn, Sr Guttierez said. This year, Colombia, the most trouble-free of Latin American debtors, has borrowed $2.2bn.

The new debt ceiling will enable the Government to go ahead with major investment projects including the recently-awarded $600m contract for the Medellin Metro system and several big hydroelectricity projects. Further foreign borrowing will also help to cushion Colombia's reserves against what Sr Guttierez sees as a continued trade deficit. During the first 11 months of this year Colombia's reserves fell from $4.7bn to $3bn. This trend has been halted by tightening on imports and through anticipated coffee payments.

The first of the new loans will be a two-part $370m funding for the national electricity holding company, Fen. Of this, $170m will be provided by the World Bank, while the reminder will come from a commercial bank loan in which the World Bank will also participate — only previously done with loans to Hungary and Thailand.

Bankers believe the response to the latter will be a crucial benchmark of Colombia's creditworthiness at a time when international bankers are wary of providing further funds to any Latin American country.

The next loan planned will be $250m for the Medellin Metro, managed by Dresdner Bank (a West German Spanish consortium won the construction contract). This will be followed around April or May by a $200m club deal similar to the recent one led by Chemical Bank, according to Sr Guttierez.

Opposition to raising the ceiling on new borrowing was more political than economic. Sr Guttierez came under fire from his own liberal party which is in opposition and feels embarrassed by his presence in the Government.

The vote is seen as an endorsement of his economic management and should dampen concern among international bankers that he might be forced to resign. Sr Guttierez has been the key figure in dealing with the foreign banks and in providing credibility for Colombia's economic policy.

Mexico's creditors agree to $4bn loan

By Peter Montagnon, Euromarkets Correspondent

MEXICO'S leading commercial bank creditors have agreed to arrange a $4bn (£2.82bn) credit to help the country cover its balance of payments requirements in 1984.

The amount is higher than the $3.5bn proposed earlier by the banks and reflects Mexico's desire to revive its ailing private sector with some economic reflation next year. The government of President Miguel de la Madrid also wants to continue rebuilding its foreign exchange reserves ahead of substantial debt repayments due in 1985.

A senior Mexican delegation is expected to meet again with the leading bank creditors today in New York to finalise terms on the loan. Despite the increase in the amount it is expected to carry a longer maturity and lower margin than the $5bn credit arranged for Mexico last winter. That deal was for six years and bore a margin of 2¼ per cent over Eurodollars interest rates or 2¼ per cent over U.S. prime.

Mr William Rhodes, the senior Citibank executive who chairs the banks' negotiating committee on Mexico, has argued for some months that the country's dramatic progress in turning its balance of payments round this year justifies easier terms on its 1984 loan.

But in spite of the the general euphoria over Mexico's current economic performance, bankers are also looking ahead rather nervously to the second half of this decade when debt repayments are scheduled to become very large indeed.

Worries about this are now exacerbated by expectations in the banking community that President Reagan will announce a sharp cut in U.S. commodity credit lending in his budget for fiscal 1985, which begins next October. Some believe that the commodity credit programme, might be cut to $1bn worldwide from $2.5bn in the current year.

This would reduce the amount of official U.S. credit available to Mexico, as well as to a number of other financially pressed Latin American nations.

Peter Marsh on U.S. plans to sell an earth-mapping satellite

Landsat moves into private orbit

THE AMERICAN Government is preparing itself for the increasingly difficult task of disposing of its $1bn (£709m) system of Earth-mapping satellites.

To attract interest in the hardware from the commercial world, the Government may be forced to give the hardware away, or even to subsidise heavily any private firm that takes over the system.

Next month the Commerce Department will formally invite offers from private industry for its Landsat network of remote-sensing satellites and ground equipment. The system runs at a loss despite the $1bn that the Government and private companies have invested in the hardware over the past decade.

According to a Commerce Department official it looks increasingly as though the Government will not require bidders to hand over cash for the satellites. The craft take snapshots of the Earth from a height of some 600 kilometres and provide valuable information for, among others, farmers and mining companies.

Instead, the Reagan Administration may be forced to subsidise whoever operates the system to the tune of some $150m a year in order to attract private enterprise.

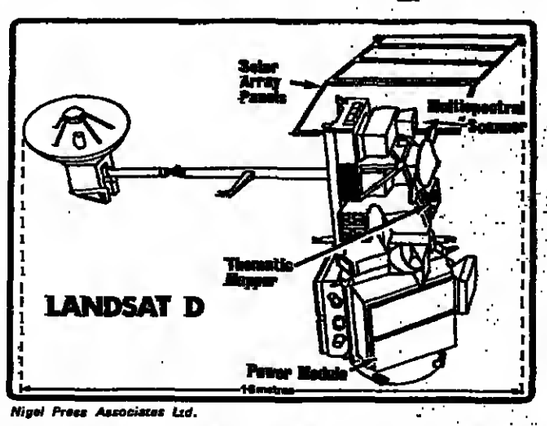
It is estimated that the Government has to pay out around this sum each year to keep the Landsat system in operation. The figure includes cash for capital equipment, such as new space vehicles, as well as running costs.

In remote sensing, vehicles scan the Earth with powerful sensors. The information is passed to ground stations by radio signals. Remote-sensing craft can, for instance, monitor the growth of crops or locate metal deposits.

In recent years the U.S. Government has found it increasingly difficult to capitalise on the lead it built up in remote sensing when it put into orbit the first Landsat craft in 1972.

Meanwhile, it is in danger of being left behind by France, which will launch two remote-sensing satellites, the first in 1985. Aided by investment of some $400m, most of it from public funds, a company called Spot Image plans to sell data worth $50m around the world by the late 1980s.

The U.S. may also face competition from Japan, which is to put into orbit its own remote-sensing vehicle in 1986. Two years later, the 11 West European nations grouped in the European Space Agency will launch a vehicle to scan the oceans with radar.



Nigel Press Associates Ltd.

In recent years, sales have stagnated. In the 12 months to October 1983, the Government collected $14m in sales to offset operating costs of $21m. According to forecasts by the Commerce Department, the picture for 1983-84 looks even worse. Revenue is due to stay roughly constant, with running costs rising to $30m.

"There are a lot of problems," said an official. "There seems to be a fixed number of people who want to buy this kind of information. Also, users have been affected by the uncertainty over what exactly is going to happen to the service."

Not everyone takes this gloomy view of the prospects for remote sensing. Space America, a company set up a few months ago on the outskirts of Washington DC, says it intends to make an offer for the Landsat system. The firm is confident that, with improved marketing techniques and satellites that use new technology, it can cut costs and operate a remote-sensing service at a profit.

Ms Diana Josephson, president of Space America, is not disclosing the exact nature of the financial arrangements that her company will propose to the government. But she says that the company would need extra investment of only about $50m to put the Landsat system in shape for the late 1980s.

If the Government approves Space America's proposals, the firm would build a new satellite to follow the Government's fifth Landsat vehicle, due for launch in March. This would enter orbit around the end of 1986.

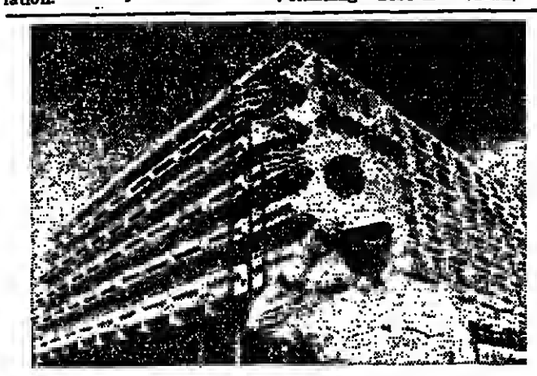
The new spacecraft, according to Ms Josephson, would cost only $30m, one tenth of the price of a Landsat vehicle. It would use solid-state sensors instead of the electromechanical devices that feature on the Government's satellites.

Space America has already lined up Honeywell to provide the sensors, which would give pictures with a resolution of 30 metres. Ford Aerospace has agreed to build the satellite, providing the Government approves Space America's proposals.

The rest of the $30m would be spent on equipment such as ground stations and on putting the spacecraft into orbit. Space America would aim to obtain the cash mainly from private investors.

Other firms are far more reluctant to talk publicly about any plans they have for Landsat. Observers believe Hughes, RCA and General Electric may be among those preparing bids. These companies have expressed interest in the Landsat system in recent years.

Companies will have until March to reply to the formal invitation by the Commerce Department. Firms which respond will have to satisfy the Government on a number of counts. These include their plans for further satellites and whether they will make the data freely available to foreigners.



Make the Athens Marriott Hotel your business centre in Greece.

Athens Marriott Hotel is now open and has been designed to cater for all the needs of business travellers - our rooms and suites are 5-star standard as is the service which ensures you a 'trouble-free' stay.

You can entertain in prestigious surroundings, and of course we have the facilities to enable you to carry on business while you are away from home.

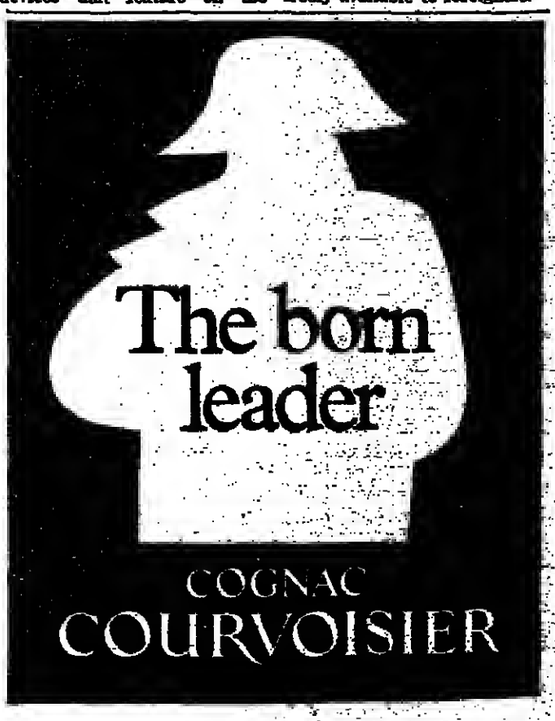
We have in-house TV movies, a roof swimming pool and whirlpool. Magnificent views of the Acropolis.

Everything that can be done to ensure the success of your business trip will be done.

In addition to Athens, there are other superb Marriott Hotels in Amman, Amsterdam, Cairo, Jeddah, London, Kuwait and Riyadh, plus over 100 Marriott Hotels world-wide.

For reservations: United States ☎ 800 228 9290; Amsterdam ☎ (020) 43 21 12; Frankfurt ☎ (0611) 23 74 92; Hamburg ☎ (040) 45 55 26; London (01) 836 8521; Munich ☎ (089) 18 20 93; Your Travel Agent, or your nearest Marriott Hotel.

Ledra Marriott Hotel Athens



UK NEWS

Break-up of Hymac expected soon if no buyer is found

BY LYNTON McLAIN

HYMAC, part of the bankrupt West German IBH group, and once UK market leader in hydraulic excavators, is expected to be broken up by the middle of January unless a buyer is found for the business as a going concern.

Urgent negotiations are being conducted to raise the maximum return for the creditors of Hymac by selling the business intact.

Mr Mark Homan, one of the joint receivers and managers of Hymac and a partner in Price Waterhouse, the official receivers said: "I have offers for the on-going business on the table and I am moderately hopeful that one or two of these will succeed."

Nevertheless, the fate of Hymac is in the balance. Steps will be taken to break up the company and sell its constituent assets separately if the talks fail to find a buyer for the business as a whole.

The receivers told the 580 employees of Hymac last week about the state of negotiations with prospective buyers. Most of the staff work on production of excavators at the Rhymney plant in South Wales, with sales and support staff in Newbury, Berkshire, and Cumbernauld, Scotland.

The receivers are unable to sell Hymac as a company. The shares are in the bands of third parties and "its liabilities are likely to be extensive," Price Waterhouse said.

Hymac lost £6.6m and had an accumulated deficit of £15.5m in the 12 months ending December 1982. The company lost £3.1m after interest payments in the first nine months this year, on a turnover of £12.6m.

The receivers are making available for sale all the assets of the company and say they will "view favourably a lump sum cash offer for the whole of the undertakings of the company." Purchasers will not be expected to acquire the debtor balances.

● The receivers appointed to manage the affairs of Blaw Knox, the British maker of paving machines and part of the Wibau subsidiary of IBH in Germany, say they have had an "impressive queue of big companies looking to take over Blaw-Knox."

Plastics aid urged

BY LISA WOOD

BRITAIN'S plastic industry, whose production last year was worth £4.5bn, has called for increased government funding for research and development.

The British Plastics Federation, in a working party's report published yesterday, said the industry received £6.6m a year out of total government support of £1.5bn for industry-related research and development.

Of that £1.5bn, most went on defence, space and civil aviation with "all other industries" receiving £85m. The corresponding figure for France was £224m and for West Germany £338m.

The federation said there were other British industries with lower outputs, which received more government funding than the plastics industry.

The working party said the industry needed an overall strategy for research and development in key areas. It recommended that the federation should be responsible for the development of a strategic five to 10-year plan, which would be reviewed annually.

The report suggested that research and development should be concentrated in fewer locations.

Government-Funded research and development in the UK Plastics industry. From the British Plastic Federation, 5 Belgrave Square, London SW1.

Windmill project costs may rise 50%

By David Fishlock, Science Editor

BRITAIN'S first megawatt windmill to be built in the Orkneys off the north coast of Scotland, is expected to cost up to 50 per cent more than originally envisaged.

The Department of Energy, which is to build the machine as the culminating step in its wind energy demonstration programme, is likely to ask the Treasury for an increase of 15 per cent in its research budget for 1984-85 to cover the extra cost.

Detailed engineering design by the Wind Energy Group (WEG) the consortium commissioned to design the machine, suggests that it will cost well over £8m, compared with about £6m only 18 months ago.

Wind energy is considered to be the most promising renewable energy source for electricity generation in Britain, since detailed design studies failed to confirm the earlier promise of wave energy.

WEG, which consists of British Aerospace Dynamics, GEC and Taylor Woodrow, has designed a twin-bladed windmill with a variable-pitch propellor 60 metres in diameter, mounted on a 45 metre concrete tower. The machine is designed to produce up to 3 Mw at a wind speed of 17 metres per second.

Average windspeed at the Orkney test site, although high for Britain, is only 11 metres per second. The windmill is expected to maintain peak output for only about 20 per cent of the time.

Its designers are estimating a yearly output of 9,000 Mwh at the demonstration site, on the basis of experience with two smaller machines commissioned earlier this year.

The Energy Department has been told of the new cost but is still waiting for final reports from the North of Scotland Hydro-Electric Board, and from WEG. One component of the cost increase is a change from a rigid hub to what engineers call a "soft transmission" in the 100-tonne nacelle perched on top of the tower.

A soft transmission is now thought necessary to absorb the considerable shock loads, which have led to fatigue failures and near-failures in other big windmills in the U.S., France and elsewhere. More generally, costs have risen steeply as WEG designers came to appreciate that it requires more advanced technology to harness wind energy economically than wind enthusiasts have appreciated in the past.

General Electric of the U.S., one of several major U.S. companies which embarked on the design and production of big windmills, abandoned the venture earlier this year. Alcoa dropped out of the business last year and so has Bendix. But Boeing and United Technologies remain in wind power.

The Energy Technology Support Unit at Harwell, which acts as project manager for the Energy Department, sees the big British windmill as crucial to the UK's wind demonstration programme.

Nymphenburg Castle in Bavaria

This hardly looks like the hub of an international financial network.

Bavaria's historical sites and traditional Bavarian friendliness are appreciated the world over. Yet, few are aware of the modern, international outlook of its institutions.

Bayerische Landesbank, for instance, is not only one of Germany's top banks, it's also one of the country's most outward-looking. Our global facilities include a wholly-owned subsidiary in Luxembourg, full-service branches in London, New York, and Singapore plus offices in Johannesburg, Toronto, and Vienna as well as our correspondent network around the world.

Through a growing international presence our capabilities range from buyers' credits in the Far East to roll-over credits in Luxembourg, from interbank money dealing operations to Eurobond issues.

With a balance sheet total of nearly DM 96 billion our resources are substantial. Also, we're bankers to the State of Bavaria, and an integral part of Germany's most powerful financial organization, the Sparkassen network.

Moreover, we are authorized to issue our own DM bonds, an attractive investment for institutional investors wanting to spread their currency risk.

Bavarians have a reputation for drive and friendliness which, combined with our international outlook, makes our name worth remembering.

Bayerische Landesbank

International Banking with Bavarian Drive and Friendliness

Central Office: Brienner Strasse 20, 8000 München 2, Tel.: (89) 2171-01, Telex: 5 286 270, Cables: Bayernbank Munich. Branches: London, Tel.: 726-6022; New York, Tel.: 310-9800; Singapore, Tel.: 2 22 69 25. Subsidiary: Bayerische Landesbank International S.A., Luxembourg, Tel.: 47 59 11-1. Representative Offices: Toronto, Tel.: 862-8840; Vienna, Tel.: 66 31 41; Johannesburg, Tel.: 8 38 16 13

Is it really possible to have First Class comfort and pay only the business class fare?

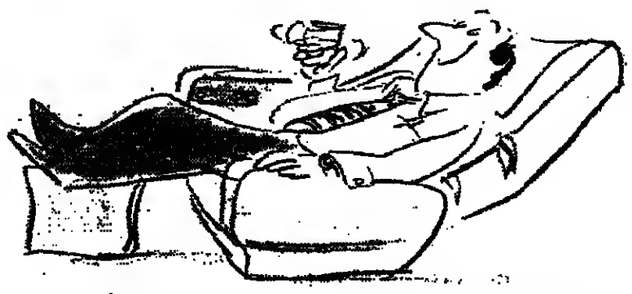
When Korean Air Lines designed its new Prestige business class it used First Class on other airlines as its minimum standard.

That's why there are only 24 seats, right up front, in our B747's. They're all exactly the same as those in our First Class -soft, leather-covered, luxuriously big and you have 41 inches of legroom.

First class comfort at a business class fare! Superb food, two films en route (with First Class headset), an in-flight bar and all the top amenities you'd expect in the highly competitive world of business travel for you to enjoy on a flight that will seem almost too short! How wonderfully agreeable to make economies this way.

Prestige Class. The last word in first class comfort for business people.

Four flights weekly to Seoul: Direct from Paris every Thursday and Saturday at 13h00. Via Jeddah and Bahrain from Zurich every Wednesday and Sunday at 12h20.



KOREAN AIR LINES
We're honoured to serve you around the world.

Britoil cancels Scott Lithgow rig contract

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

BRITOIL YESTERDAY cancelled an £88m contract in Scotland with the Scott Lithgow shipyard on the lower Clyde for a semi-submersible drilling rig which is two years behind schedule.

The management of the yard has said that a cancellation would lead to the closure of the yard and the loss of its 4,250 jobs. However, in a statement last night, the shipyard said there would be no immediate layoffs and that it would challenge the Britoil decision in the courts.

As many as 8,000 jobs could be lost in the local communities of Greenock and Port Glasgow according to one study. Mr Malcolm Ford, joint managing director of Britoil said in a statement that the company had taken the step with great sadness. "British Shipbuilders have repeatedly declined to renegotiate the contract. Given past delays and future uncertainties, no client could be expected to continue with it."

Although the contracted delivery date for the rig was April 26 1984, the vessel is only about 30 per cent complete. Britoil produced diagrams showing that only two units on each of the semi-submersible's pontoons had so far been welded together.

Yesterday's announcement was a rejection of a submission by Scott Lithgow that the work could still be completed by the "drop dead" date of January 1985. Through a series of counter claims, however, the yard which in 1980 was designated the lead offshore construction by British Shipbuilders, hoped to win further breathing space to complete the order by March of 1986.

Britoil ordered the rig for drilling in depths of 15,000 feet or more – much deeper than the 100 to 600 feet of the North Sea – to the West of Shetland and in the Irish Porcupine Trough.

The rough waters in these areas make it difficult to operate with traditional drillships. Mr Ford said the semi-submersible would allow a drilling season of five to seven months compared with as little as one month for a drillship.

Britoil would have to decide in the next few months what it would do about its programme. It could go back to using drillships or it could place a new order abroad. He said he would be glad to place the order in Britain, but he doubted whether there was a yard that could take on the work.

The announcement was greeted with a combination of resignation and anger by workers at the yard and there were renewed calls for government intervention to preserve the order.

The Government has refused to intervene with the yard to save the order following the extended history of delays and failures at Scott Lithgow which lost £66m last year out of British shipbuilders' total losses of £117.4m. Penalty payments for the Britoil rig would have cost Scott Lithgow £17,000 a day.

A fundamental problem at Scott Lithgow has been its conversion from a shipyard to an offshore yard with a different set of demands and standards. However, recently the yard's management has tried to show that many of the right changes have been made.

The trade unions too have found themselves locked in a national dispute on wages and flexible working. However, they have said they are ready to talk about more flexible working at the Lower Clyde.

If the court action by Scott Lithgow, which has been expected by Britoil, fails, the yard is expected to start laying off workers in the new year. It still has another semi-submersible rig for BP which is near completion but which will also likely miss the "drop dead" date leading to possible cancellation. But, the yard again hopes to put in claims giving it extra time to complete by the early spring.

Work is also nearing completion on a special seabed operations vessel for the navy. There will probably also be behind-the-scenes moves to see if Scott Lithgow could be restructured, and its experience building offshore structures preserved.

Strike order to shipyard workers

BY OUR LABOUR STAFF

MORE THAN 10,000 engineering workers in British Shipbuilders (BS) yards will be instructed by their union to strike on January 6 over a breakdown in talks on pay and productivity.

About 400 members of the sheet metal workers' union has also decided to issue a strike call. Neither union has balloted its membership.

The key to the national strike, however, rests with the executive council of the General, Municipal and Boilermakers' Union (GMBU), the major union in the industry, which meets today to consider the results of the ballot of its 30,000 members in shipbuilding.

About 62 per cent of those voting supported the move for an indefinite stoppage.

Mr Jim Murray, general secretary of the GMBU boilermakers' section, said yesterday that there was little doubt a strike would start three days after the return to work after the Christmas and new year holiday. But it is felt that not all the union's executive council will be convinced by the argument.

With BS battling for survival and many yards facing empty order books, some GMBU leaders may favour selective action which could exempt the most vulnerable workforces.

The engineering union did not hold a ballot on the strike call because, it says, its members were clearly in favour of the action. "They were looking for a lead and we have given it," Mr George Arnold, union executive member responsible for the industry, said.

Of the other shipyard unions, the electricians' union (10,000 members involved) and the white-collar union Apex (3,000) are both holding ballots.

Anger rose among the unions yesterday over the departure on holiday to his native Canada of Mr Graham Day, BS chairman. He is expected to be away for three weeks, but is said by BS to be willing to return at a moment's notice for talks if the unions produce any initiative to avoid a strike.

Lower pay 'would increase jobs for young people'

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

A CUT of 10 per cent in the average pay of young people could lead to a 20 per cent increase in the number of jobs available to them, according to a government research paper published today.

The paper, by Mr John Wells, a Department of Employment economist, suggests that a cut in wages of about £6 a week could cause youth employment to rise by about 80,000.

Although the figures are not precise, they are intended to illustrate a clear relationship between the number of jobs available to young people and their pay in relation to adult rates. The Government has been concerned that high wages for young people could be pricing them out of jobs.

The relationship assumes that the level of employment in the economy as a whole remains unchanged. Any general improvement might have a much larger effect on the prospects for young people than changes in pay levels.

The research does seem to support a central contention of the Government's economic strategy – that moderation in pay settlements is the best way to promote higher employment.

The Government's young worker's scheme, which provides for employment subsidies, was intended to encourage companies to offer jobs which would not otherwise be available. The Department of Employment believes that the response to this scheme suggests that many companies would employ more young people if wage rates were lower.

The latest research by Mr Wells appears to contradict earlier findings which discovered little relationship between pay and jobs. However, Mr Wells states that this is because the relationship between pay and jobs did not emerge clearly until the beginning of the 1970s. Previous research had concentrated on earlier periods.

Minister gives TUC hope over Airbus

BY DAVID BRINDLE

MEMBERS of a Trade Union Congress (TUC) delegation which yesterday met Mr Norman Lamont, Minister of State for Industry, emerged "very hopeful" of government support for the European Airbus A-320.

In a further sign of thawing TUC-Government relationships, the delegation reported that common ground had been found with the minister on almost every aspect of the case for launch aid

Mr Ken Gill, the left-wing general secretary of white-collar engineering union Tass who led the representatives of the TUC nationalised industries committee, said: "We could say there were no basic disagreements between us at all."

At the meeting with Mr Lamont, the delegation expressed fears that the Government was putting the future of the aerospace industry at risk by delaying a decision on funding the Airbus project.

British Aerospace has asked for £440m to finance its share of the development work. Rolls Royce wants another £113m to develop its V2500 engine, which it is hoped will power the 150-seat plane.

Mr Gill said there had been "complete agreement" from the Minister on the advantages of Britain remaining in the six-nation Airbus Industrie consortium and on the importance of the A-320 to the British industry.

Although Mr Lamont had not been prepared to give a guarantee that the Government's decision would be positive, Mr Gill added, "our conclusion is that only some kind of political dogma could prevent the decision being made positively in early January." Last month, the Prime Minister remarked in relation to the Airbus that she did not want "another Concorde" on her hands. According to the TUC delegation, Mr Lamont said yesterday that there was no comparison between the two airliners.

Steel tube group calls in receiver

By Peter Bruce

GROOM & TATTERSALL, the Northamptonshire steel tube producer, has gone into receivership. It is the fourth major setback this year for Britain's private sector steel tube makers.

Receivers said the tube mill, which had a capacity of 15,000 tonnes a year, had "suffered losses in the recession in the steel trade resulting in liquidity problems." They said they would be trying to sell the business, and save the 40 jobs at the mill.

If, as seems likely, the business is not sold, UK welded steel tube capacity, of roughly 550,000 tonnes a year at the beginning of 1983, will have been cut by up to 80,000 tonnes.

In October, Acrow closed its 50,000 tonnes a year tube works near Cambridge. Earlier this year Senior Engineering closed its Greens Economiser Group's tube works when it bought the group and transferred some production to its own Phoenix Tube business. That too, has been rationalised.

Probably the biggest retreat from the business involves the recently announced joint venture between the TI Group and the British Steel Corporation (BSC) in small diameter seamless tubes. TI has merged its big Wednesfield mill with BSC's seamless finishing facilities at Corby, Northamptonshire, but has retained only a 25 per cent stake in the new business.

Despite the industry-wide cuts, overcapacity in welded tube in the UK is still reckoned to be running at about 100,000 tonnes above the 400,000 tonnes a year level at which analysts believe some price stability would be restored

The private sector, which consists only of Natural Gas Tubes, part of the Caparo Group, Phoenix and TI, has been particularly hard hit by pricing policies adopted by BSC at the beginning of the year. BSC cut its tube prices by up to 25 per cent and very quickly raised strip prices. The independent tubemakers bought most of their strip from BSC.

Groom & Tattersall, with about 4 per cent of the UK market in small diameter welded tube, is also thought to have been damaged by a recent increase in the price of narrow strip, which it was forced to buy because it had no coil slitting facilities.

In February, the independent tube producers accused BSC of deliberately trying to drive them out of business and threatened to take the issue to the Government. This initiative died, it is thought, because of an expected strengthening of prices in the summer.

TI deputy chief named as chairman

By Ian Rodger

MR RONNIE Utiger has been chosen to be the next chairman of TI, the diversified engineering group, succeeding Sir Brian Kellett, who retires next May after seven years in the chair.

The choice came as a surprise in some quarters because of recent reports that Mr Utiger, who became deputy chairman and group managing director of TI, formerly Tube Investments, last year had ruled himself out.

Mr Michael Boughton, the TI director who is to become the next deputy chairman, said that this impression arose because Mr Utiger felt the directors should examine the field before he indicated his interest.

Mr Utiger, who is 57, has spent most of his career at British Aluminium, the TI subsidiary which was sold to Alcan Aluminium of Canada last year after two years of heavy losses. He joined BA in 1961 as financial controller, was managing director from 1968 to 1979 and chairman until the disposal late last year.

He will taken the chair at TI just as the group, once one of the leading figures in Britain's engineering industry, emerges from four years of drastic rationalisation and restructuring.

In 1979 more than half the group's capital employed was in steel tube and aluminium. Today, it is out of aluminium and more than two thirds of its capital is in specialised engineering, the Raleigh bicycle business and domestic appliances.

TI barometer, Page 11

Way clears for sale of state arms factories

By Bridget Bloom, Defence Correspondent

BRITAIN'S government-owned arms factories are to be given company status next year in a key step towards privatising the companies, probably in 1985.

The government yesterday introduced a Bill under which the current status of the Royal Ordnance Factories (ROF) trading fund, under which the ROF operates, will come to an end next autumn.

The assets of the fund will be transferred to a company which will still be wholly owned by the Government but will be expected to operate "in a fully commercial manner" under the Companies Act.

Mr Michael Heseltine, the Defence Secretary, said yesterday the target date for company status for the 13 companies in the ROF was October 1.

There was no fixed date and no final plans for privatisation of the companies. Mr Heseltine said, however, the introduction of private capital was likely to take place in 1985.

Fulmar gas pipeline wins state approval

BY RICHARD JOHNS

BRITISH GOVERNMENT approval was announced yesterday for Shell-Esso's £315m project to build a gas pipeline from the Fulmar field in the central North Sea.

The project should also be able to exploit gas from the nearby Clyde field – where Britoil is the operator and Shell and Esso are minority partners – upon its completion in 1986.

The 180-mile pipeline might, in addition, stimulate the development of other gas projects in the area discovered by Shell in partnership with Esso.

The Fulmar platform's processing facilities will be designed to handle associated gas from a peak output of 180,000 barrels a day, or the equivalent of about 100m cubic feet a day of gas and natural gas liquids.

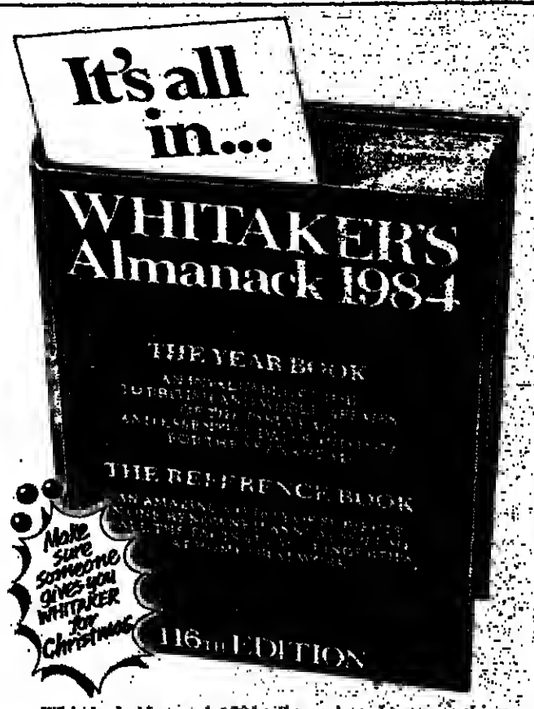
Recently, the rate has reached 125,225 b/d and should peak near to 180,000 b/d. But this plateau could be of relatively short duration, according to Shell, the operator of Fulmar. Thus, the pipeline could make possible the exploitation of associated gas from either Clyde or other fields nearby.

The development is in line with the renewed emphasis by the Government on the fullest commercial exploitation of gas associated with oil production in the North Sea.

Mr Alick Buchanan-Smith, Minister of State for Energy, said yesterday: "I am keen to see companies themselves develop plans and invest in gas gathering. I am encouraged by Shell-Esso's proposals for Fulmar."

Fulmar gas and liquids will be transported through a 0.5 metre pipeline from the Fulmar field to the Shell-Esso plant at St Fergus, Aberdeenshire, where they will be separated. The gas will be passed on to the British Gas Corporation's plant at St Fergus, while the liquids will be sent by pipeline to the Shell-Esso fractionation plant at Mossmorran, Fife.

Shell and Esso are the majority partners in the Fulmar project, with a shareholding of 48.9 per cent each.



Whitaker's Almanack 1984 tells you just about everything you'll need to know about the past year, such as the General Election, scientific achievements, political and sporting events at home and abroad, plus all the facts on public holidays, anniversaries, astronomical and tidal data for the year ahead.

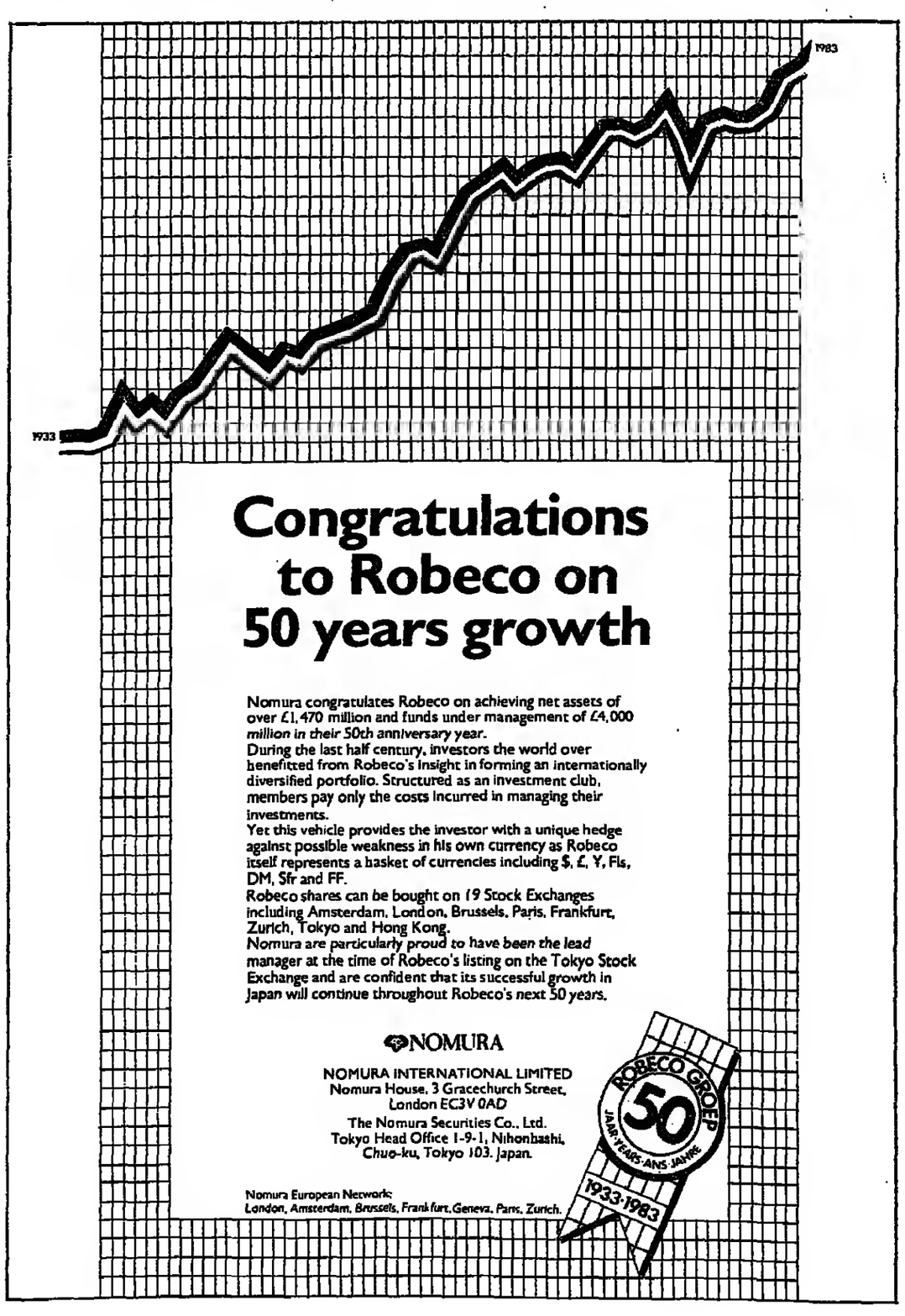
Whitaker also contains a wealth of facts of reference – from the Monarchy and the Constitution to NATO and the EEC, from world currencies to lists of art galleries and directories of trade unions – and much, much more!

1,200 packed pages of facts, tables and essential information. Up-to-date, accurate and at your fingertips.

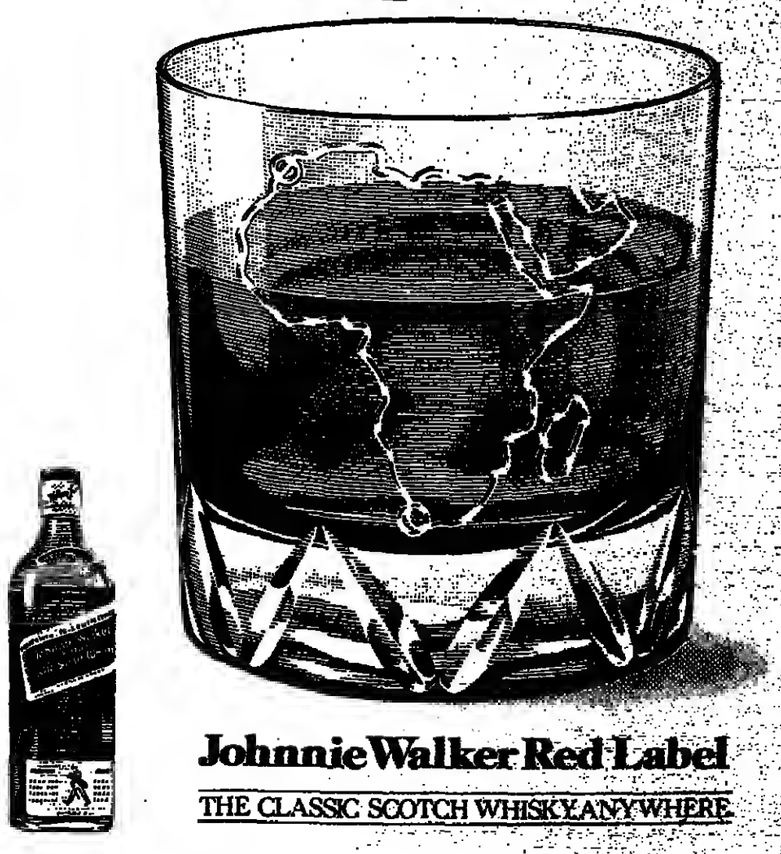
In the bookshops – NOW!

Complete Edition, 1,200 pages £11.00
Shorter Edition without Foreign and Directories section £5.50
Library Edition (Published 12 December) half-bound in leather, with coloured maps £17.50

WHITAKER – gives you the answers

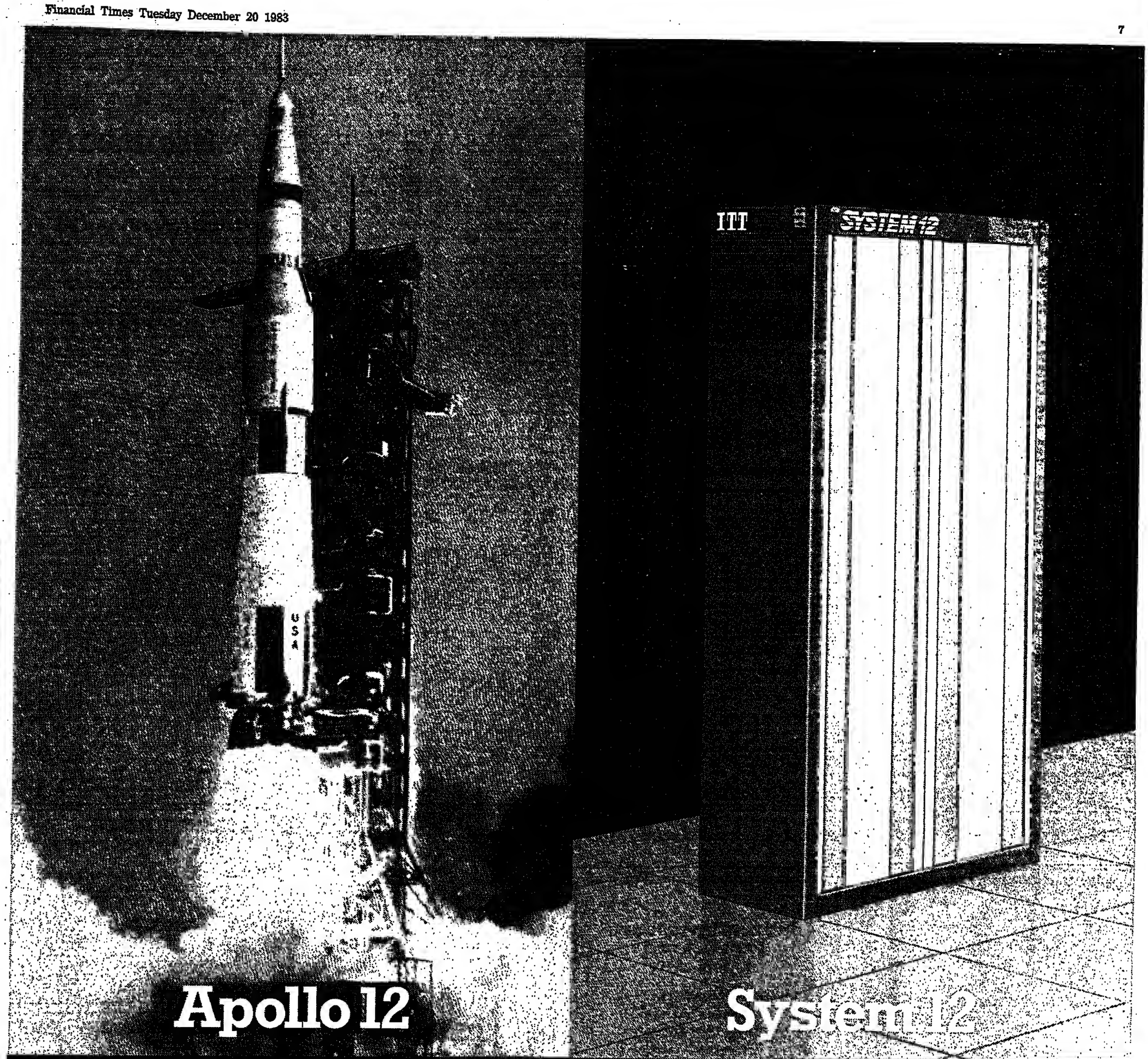


From Casablanca To Cape Town.



Johnnie Walker Red Label

THE CLASSIC SCOTCH WHISKY ANYWHERE



Which has the more sophisticated programming?

Putting a man on the moon and bringing him back safely took a vast amount of planning, technology of the highest order, and computer programming on an unprecedented scale.

So did the creation of the world's leading digital telephone switching system.

And, while ITT's System 12* scarcely matches an Apollo manned spacecraft for dramatic beauty, it required a similar commitment to world class programming technology.

Which may begin to explain not only why System 12 is already acknowledged to be the world's leading telecommunications switching system, with awards for more than 900 exchanges providing over 3 million lines in 12 countries.

But also why ITT now employs 1200 computer programmers in Europe alone. Their brief, on System 12 as on every other project ITT undertakes, runs to one word.

Quality.

Because programming, or software as some people call it, is the key to all modern electronics systems.

System 12, the product of a $700 million worldwide team effort between computer and telecommunications engineers, exemplifies ITT's attitude to programming. Uncompromising quality all the way down the line. That's why its current pre-eminence is only the start. Its computer system is so flexible, it will comfortably evolve to set the standard well into the next century.

The best ideas are the ideas that help people. ITT

European Headquarters, Avenue Louise 480, 1050 Brussels, Belgium.

*A trademark of the ITT System

THE MANAGEMENT PAGE: Small Business

EDITED BY CHRISTOPHER LORENZ

Charles Ware: "real reasons . . . for putting money into old cars"

A Minor revolution in car-selling

William Dawkins reports on a specialist renovating service

WHAT DO Brunel bridges and Morris Minors have in common?

Nobody knows the answer to that question better than Charles Ware, avid Brunel-worshipper and proprietor of the Morris Minor Centre in Bath.

Apart from both being antiques, the great Victorian bridges and those bumble, bulbous runabouts share one important engineering principle: they are designed so that parts can be repeatedly replaced and repaired without distorting or weakening the overall structure.

So long as they are maintained, their lives can be extended almost indefinitely at relatively low cost. This means "there are real economic and practical reasons for putting money into old motor cars," argues 48 year-old Ware.

On the strength of that simple theme, he has launched himself in the space of seven years from bankrupt former property dealer to head of a thriving Morris Minor renovation and parts distribution business, with an annual turnover of £1.5m and pre-tax profits of £110,000 in the year to last September.

In the New Year, Ware will take over the factory next door to his 6,000 sq ft workshop in an industrial suburb of Bath to start making the first Morris Traveller bodyshells since the range went out of production in 1971.

And at next October's Birmingham Motor Show, he plans to unveil updated versions of the Minor and Traveller, with 1.3 litre engines, modern seats and heating, disc brakes, soundproofing, improved suspension, and optional automatic gear-changing—all for around £8,000.

"Except for the basic shape, it will be exactly like a modern car," says Ware. But if it sounds too pricey, he is negotiating with a building society for a long-term Morris Minor financing package — similar to a mortgage and different from the three-year maximum for repayments which generally applies to car loans.

Seated in his tiny, oil-stained office, Ware waxes lyrical about the economic advantages to drivers of so-called "durable" car ownership.

Since the 1973 oil crisis, fuel efficiency has been uppermost in the minds of car designers, he points out. The result, he says, has been a generation of lightweight vehicles built of thinner-gauge steel than their more solid predecessors—and therefore with a shorter body life.

As manufacturers have striven to cut labour costs and to mechanise production, they have tended to produce what Ware calls "solid state" cars, which are highly efficient for their first few years of life, but thereafter depreciate in value very quickly as they rust and need major mechanical repairs.

Their design means that major repairs are often the result of small faults. If one component of the gearbox packs up, for instance, a solid-state car may need a whole new gearbox. With a durable car, like the Morris Minor, it may be possible simply to replace the component.

Ware maintains that putting fuel efficiency before bodywork and ease of repair is "like throwing out the baby with the bath water," because depreciation forms by far the largest element of the running costs of planned-obsolescence cars.

He estimates that such cars cost around 22p per mile to run, of which depreciation takes 15p, while a durable car with a slightly higher routine maintenance bill will cost just over half as much to keep on the road.

As well as Morris Minors, his list of durable cars includes Volkswagen Beetles, the Triumph Herald, Austin A40, early Ford Escorts and Cortinas and his own vehicle—a 20-year-old Mercedes.

Ware also accepts that some modern cars, like VWs, Volvos, Rolls-Royce and Porsches, have durable bodywork, even if they are designed on the solid state principle.

For 80 per cent of the 16m car users in the UK, Ware's argument is unimportant; they drive company cars, which tend to be kept for only 40,000 miles and losses on them can be written off against tax by the corporate owners.

"But is does mean that those people in the banger market will no longer have access to cars they can use for 15 years," says Ware.

Ware reached his passion for Morris Minors via the unlikeliest of routes. Originally an art lecturer at the Slade School, he started a building business in 1963 renovating early 19th-century houses in Bath. By the late 1960s, the property boom had made him a millionaire, but the subsequent property slump left him bankrupt in 1971, owing £500,000.

He borrowed £500 from friends and turned with no real enthusiasm to car dealing, until it dawned on him that "the structural standards I had applied to old buildings could just as well be applied to cars."

The Morris Minor seemed an obvious choice as a renovation candidate because it was fashionable and looked as if it would last. "The cars seemed interesting and the people who owned them had a special relationship with their cars. They seemed like friends."

With an estimated 200,000 Morris Minors and Travellers on the road, 10,000 of which change hands annually, there seemed to be a reasonable market. So Ware persuaded his friends to stump up another £10,000, bought eight cars to repair and set up with three workmen in his present premises.

Almost to his surprise, turnover shot to £100,000 in the first year and Ware—who now employs 30—had a nine-month order book on his hands.

"We didn't have any real banking facilities, so customers' deposits were our only working capital. If you are starting up a business with nearly nothing, you become totally aware of cash flow," he says with grim understatement.

Indeed, since that experience, Ware has never marketed his services, beyond taking a fortnightly advertisement in Exchange and Mart and relying on press publicity.

At the outset, the strategy was to offer a complete, one-off renovation package for Morris Minors, which would turn an aged bone-shaker into an effectively new car with a five-year guarantee for up to £2,500. "For some customers, a bill of that size was a real turn-off. We wanted to keep on improving our standards, but there was a danger of pricing ourselves out of the market," says Ware.

He was unwilling to provide a cheap short-term repair service, so turned instead to priority spending schemes. Customers were offered a list of priority works based on a survey of their vehicle, which could be spread over several years to minimise the initial cost.

"We developed a total life support system, which allows a car to keep running for up to 30 years." Ware is now planning a similar package for a staged modernisation based on the car he is introducing next October.

As volumes increased, it became clear that Ware's office was too small to store spare parts.

So the company took a 5,000 sq ft warehouse nearby and, supplied by original Morris Minor subcontractors, set up a mail order distribution service. In the past two years, it has grown to take two-thirds of the company's turnover and provide useful cash flow.

The success of the parts business, where half of sales go to other garages and do-it-yourself enthusiasts, highlights the limitations on Morris owners' willingness to drive to Bath for Ware's services. Some customers have come from as far afield as Dublin, but Ware realises that his growth in a specialist market will be limited unless he can spread his net.

For this reason, he hopes to build up a chain of 10 licensed garages, approved and supplied by the centre. The first, attached to the Stormont Ford dealers' bodyshop in Woolwich, London, opened three years ago. Buist Motors, Leyland dealers in Newcastle upon Tyne, opened a second last autumn.

Ware's ultimate dream is to design and produce his own car to supplant the present generation of durables. The idea has a familiar ring for those who remember the de Lorean fiasco, but Ware is setting his sights on a more utilitarian product.

In brief ....

A ONE day "Start Your Own Business" course on January 11, geared specifically to the needs of art and design students and graduates, has been arranged by the ILEA Careers Service and the London Enterprise Agency (LEnta). Up to 100 places will be available at £5 each and the venue will be the London College of Printing.

The Careers Advisers to the ILEA Art Schools say the unemployment situation is driving more and more of their clients to consider setting up on their own. Course details from Vicky Sargent of LEntA on 01-248 4444 or Angela Dean and Anne Francis of ILEA on 01-734 8531.

●

THE Dutch will play hosts to next year's International Small Business Congress (the 11th), due to be held in Amsterdam on October 24 to 26. During the congress the results of an international survey conducted among 3,600 entrepreneurs in ten countries will be presented and discussed. Details from Congress Secretariat, c/o Organisatie Bureau Amsterdam bv, Europaplein 22, 1078 GZ Amsterdam, The Netherlands.

●

THE plastics, computers, precision engineering and consumer sectors have shown the most notable improvement in performance this year, according to surveys of Smaller Manufacturing Firms conducted by the Confederation of British Industry over the last ten months. "The pattern emerging has been upward, although from a low base," says Jeremy Pope, chairman of the CBI's Smaller Firms Council.

●

The closing date for Opportunity Wales, a competition to encourage invention and initiative in Wales, is January 10, 1984. Individuals, groups of individuals and businesses with a turnover of less than £250,000, are invited to enter new product ideas with evidence of potential for manufacture and commercial application. The winner of the competition, which is sponsored by Wales International Management Centre with the support of the Design Council and HTV Wales, will receive £2,500 and the runner-up £2,000. Details from Wales International Management Centre, 6-8 Albany Road, Cardiff, CF2 3RP.

Tim Dickson

Venturing into Scotland

BY MARK MEREDITH

YOU MIGHT expect to meet a venture capitalist in the City of London or perhaps one or two in Edinburgh's Charlotte Square. But not in a modest company in Fife.

But then a lot of things are unexpected about Fortronic, one of the top producers of banking terminals, and its managing director, Hugh Smeaton.

By forming a small constellation of companies feeding goods and services first to the main group company, then to each other and, as they grow, to the rest of the market, Smeaton has taken a crack at some of the substantial problems in developing Scotland's electronics industry.

Two principal problems have been the very small number of financial institutions in Scotland providing venture capital and the difficulties in encouraging adequate manufacturing and product development to counter the tendency, for example, towards managerial spin-offs from large corporations developing in service industries such as software houses.

Smeaton, aged 49, overcame both these by establishing, for relatively little money, 14 satellite companies around Fortronic Holdings, giving 25 per cent of the equity of each to directors and holding 75 per cent himself.

To use the language of the venture capitalist, Smeaton is a "hands on" manager, injecting the right managerial and technological assistance to help the companies he has set up or acquired get through their difficult start-up troubles.

Around Smeaton now are a software house, an international sales and service operation, a distributorship for Wang, a word-processing bureau also offering training, a management service for turnkey projects involving financial data bases, a light mechanical assembly facility to take on sub-contract work such as printed circuit boards, a project design consultancy, a specialist software house and a contract research and development firm.

There is also a company specialising in information technology, another making plastic casings for terminals and an electronic design and draughting house. Total turnover is now around £2.7m a year.

However, while Smeaton encourages each company to do its own thing, the holding company obviously revolves very much about the determined and at times volatile character of its managing director.

Smeaton has won numerous admirers and a number of foes as he has rammed home a company philosophy designed to get his staff thinking in terms of customer satisfaction excellence in production and integrity in business dealings.

He is a convert to the business ethic outlined in "In search of excellence"*, which has become something of a bible for management in parts of the U.S.

A group philosophy has been drawn up, much of it taken from the book, and recently Smeaton and his managers held a weekend session to agree on its implementation.

Smeaton, a self-made man who is hardly at home with the more gentrified parts of the Scottish business community, puts it to them straight: "You take care of the customers, and I'll take car of you."

A two-page outline of the philosophy drawn up last month talks of dedication to and placing interests of customers before employees, and employees before shareholders — heady stuff, perhaps, but the kind of talk that has influenced important clients such as Burroughs, which recently placed a £21m order with Fortronic for banking terminals.

Much of the group philosophy is aimed at gaining converts to its way of doing things before any such time as the company might either be floated on the unlisted securities market or go for a full quotation of the Stock Exchange.

There seems little likelihood of any early flotation, though. London Trust, with an effective 31.8 per cent share has just put up £250,000 to boost Fortronic's working capital and it does not think the time is ripe.

Smeaton, with a 18 per cent share, is not keen on the idea in the immediate future, either.

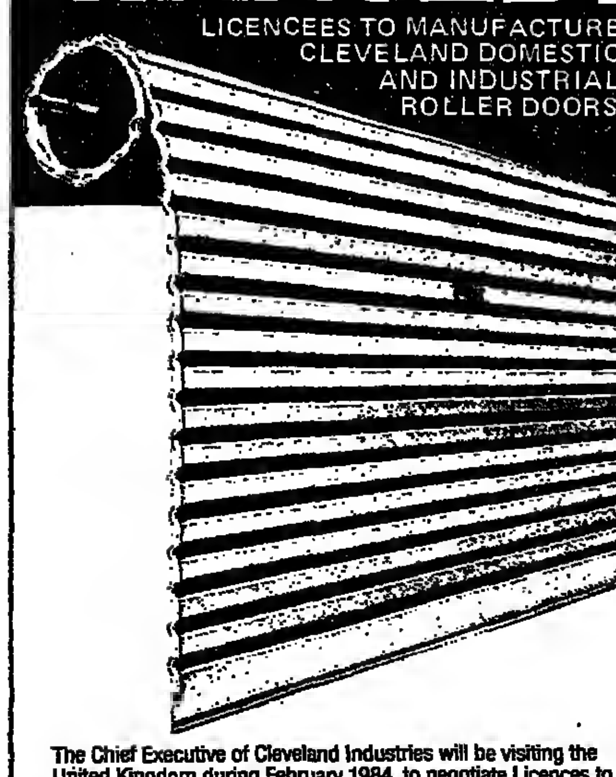
* *By Thomas Peters and Robert Waterman, Harper and Row, £12.50.*

BUSINESS OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

WANTED!

LICENCEES TO MANUFACTURE CLEVELAND DOMESTIC AND INDUSTRIAL ROLLER DOORS.



The Chief Executive of Cleveland Industries will be visiting the United Kingdom during February 1984, to negotiate Licences to manufacture these revolutionary designed roller doors suitable for garage and industrial use. In the Australian market Cleveland have gone from nothing to market leader in four years with these unique products.

Enquiries in writing to:

CLEVELAND INDUSTRIES PTY. LTD.
P.O. Box 454, Morley, Western Australia 6062
Telephone: (09) 276 9744
Telex: AA95250

Business Investment/ Joint Venture Opportunity

Our client is a New Zealand company who seeks a corporate partner to achieve the introduction of their operation into the United Kingdom.

The operation offers substantial returns from manufacturing and agent servicing. It is suited to a company with a multi-branch operation and is related to a unique building surface treatment. *Alternatively, the business is well suited to an* entrepreneur, who would undertake the establishment of owner operators, with the contingent rewards from goodwill and servicing revenue.

Goodwill, shareholding and initial and on-going management involvement are fully negotiable, but likely cost will be in the vicinity of £80,000 to £120,000. Sale of the European rights is also open to negotiation.

Our client's directors will be holding full discussions with potential investors from 1 February 1984.

We invite interested parties to write, in the strictest confidence, to the UK executive secretary (New Zealand joint venture).

TML KMG
Thomson McLintock & Co
70 Finsbury Pavement, London EC2A 1SX

British Company in association with international conglomerate based in 50 countries, have manufactured a unique product that produces a cash income and the business can be expanded to capital available.

No selling is involved and the business requires little overhead. Exclusive areas of operation are available in London and major cities throughout the United Kingdom.

Also opportunities available in the United States and Canada for investors with around £100,000

For further particulars please ring or write to:

Mr. I. Martin
M.I. Ltd.,
22 Old Steine, Brighton BN1 1EL
Telephone: 0273 672226 (6 lines)
Telex: 878268 MNBRIG.

Your own representation in Dusseldorf City
West Germany
- Exclusively furnished executive offices and conference rooms for 10-30 persons
- Multilingual secretariate
- Telephone service with your own telephone line
- Telex — mail service — word processing
- Reception lounge (100 m²) with bar and restaurant
- Rooms for video/film/overhead facilities

OSC OFFICE SERVICE CENTER INTERIM BÜROS GMBH
Roßstr. 166 · D-4000 Düsseldorf 30 · Phone 0211 450959 · Telex 8588321 osca

TENDER
LEASE—PARTICIPATION —SALE
DEEP FREEZING PLANT FINISHED IN 1981
— Capacity: Over 6,000 tons/year.
— Storage capacity: 6,600m³ at negative temperature.

Situated in the irrigated zone of LOUKKOS (Morocco). Ideal for all vegetable and fruit crops.
We solicit tenders for lease, participation or sale.
For further information and visits, contact:
SURLOUK S.A., C/O SEKOM
Raoud Al Andalous, Immauble Oued Ettaj (Aviation) Rabat (Maroc).
Tel: 521-5668/96 Telex: 31064 M

The "Building Block" approach to computer design

Are you about to spend a lot of time and money designing and building your own computer system? Can you see a marketing opportunity that you could exploit if only you had a tailor-made computer of your own? Then give us a call.
At Tycom we have a building block approach to computer design, based upon the patented technology embodied in our Microframe. Our approach allows us to design computer systems at a fraction of the cost of original design and in a matter of weeks.
Contact:
OEM Product Manager
TYCOM CORPORATION
40 New Bridge Street, London EC4V 6BE
or phone 01-248 4800

ENGINEERING

Contract press shop with modern sophisticated production plant seeks to merge with similar facility or with company requiring this type of capacity. Sales currently £700,000 plus p.a. with potential for substantial improvement.
Serious enquiries only please telephone:
01-805 2355 ask for Colin Trevers

Football Supporters Group

with international links offers directorship and equity interest in sections to be formed nationwide for liaison tasks only.
Suited for mature persons, semi- or retired business- and professional men, managers/specialists and companies interested in lucrative and rewarding full/part-time engagement or side line.
No direct investment required. Reliable applicants with good references contact:
MR. PETER HORNER, 46 Langbank Avenue, Coventry CV3 2PN

TAX RELIEF INVESTMENT FILM/VIDEO INDUSTRY

Investment is invited to finance a new company to exploit opportunities in the film/video industry. Investors will qualify for tax relief under the 1983 Business Expansion Scheme. Profit potential is high but this is a risk investment and only individuals able to benefit under the scheme will be considered. An investment of £20,000 per individual is envisaged.
For further details write, in confidence, to:
The Managing Director
Tuscan Cinematic Ltd
Pinewood Studios, Iver, Bucks

PROBLEMS?

Self-made, successful Businessman, aged 38, single and bored, owns well delegated profitable group of Manufacturing and Service Companies, seeks challenging opportunities. Location unimportant, will act as consultant advisor, company doctor, trouble shooter, temporary principal stand-in, etc. Qualifications, commonsense, experience and well developed stomach instinct. In return, all I require is direct expenses and a pre-arranged deal based on results only, references available. Offers, suggestions and enquiries to Box F.4728, Financial Times, 10 Cannon Street, London EC4P 4BY.

BUSINESS VENTURES

Make the business expansion scheme work for you. The A. K. Opportunity Register provides a unique medium for potential investors and Entrepreneurial Business people to meet. Whether you seek venture capital, or an opportunity in which to invest, Register NOW! Telephone Peter Mason on 01-499 6516 or write to: AALSMEER, KNIGHT & CO. P.O. Box 18, Harlow, Essex CM18 6SH quoting Ref. BES1.

LIMITED COMPANIES
FORMED BY EXPERTS FOR £97 INCLUSIVE
READY MADE £105
COMPANY SEARCHES
EXPRESS CO. REGISTRATIONS LTD.
Epworth House
25-35 City Road, London, EC1
01-628 5434/5, 7361, 9936

FIBER-SEAL (UK) LTD.

European licensees of the internationally acclaimed fabric care and protection system seek

FRANCHISEES

for several European countries.

Investment from £30,000

Fiber-Seal is a proven success in the interior design and hotel/office contract markets.

Contact:
John Daglish
FIBER-SEAL (UK) LTD.
9 York Road
Maidenhead
Berkshire
Tel: 0628 782 987

OFFSHORE & UK COMPANIES
READY MADE OR TO SUIT
Isle of Man, Caribbean, Liberia, etc
Full domicile & nominee services
Bank accounts opened
SELECT COMPANY FORMATIONS
Mt Pleasant, Douglas, Isle of Man
Tel: Douglas (0624) 23718
Telex: 628554 SELECT G

£2.5 million available
FOR MORTGAGES & INVESTMENT
in Small/Medium size Companies
Also residential properties
We offer a complete financial service package with sound management advice
For further details please telephone:
DIA MANAGEMENT SERVICES LIMITED
Tel: 01-589 5132

YEAR-END TAX PROBLEMS?
Full details from:
LCL LANDLESS CONTAINERS LIMITED

MY FUNCTION IS TO CONCEIVE NEW PRODUCTS
If you have sufficient funds available to both retain me to originate a product and for your company to commercially exploit it
Write Box F4682, Financial Times 10 Cannon Street, EC4P 4BY

BUSINESS EXPANSION
Investment opportunity in Cosmetics Company. May qualify for tax relief under Business Expansion Scheme. Attractive range of products including unique perfume fragrances and skin care creams. T/o principally export and duty-free trade. Excellent prospects for growth.
Principals only please write: Box F4726, Financial Times 10 Cannon Street, London EC4P 4BY

DIAMONDS AND PRECIOUS STONES
Five Continents Distributors will sell your diamonds and precious stones on a 30 day consignment basis, or our company will purchase them outright
Please contact:
FIVE CONTINENTS DISTRIBUTORS
386 Mercer Avenue
River Edge, NJ 07661
Telephone: 201-265-1602

UP TO £500,000 AVAILABLE IMMEDIATELY
for investment in small promising companies. Please reply enclosing details of products etc together with financial information
Write Box F4730 Financial Times 10 Cannon Street, EC4P 4BY

OFFSHORE TAX ADVANTAGES
Confidential Qualified Advice
Comprehensive Administration Services, Bank Accounts, Power of Attorney, Directors/Secretary, Registered Office Isle of Man/Worldwide.

I.B.A. INVESTMENTS
NEWTON ABBOT
£34,500 to £720,000
Some prelets or public company rental guarantee
Available Richard Hodgson
A. C. FROST & CO
3 High Street, Windsor
Tel: (075 35) 54555

INVESTMENT ADMN. OR MANAGEMENT OFFSHORE
Chartered Accountant based British Isles offshore having necessary back-up will handle limited number of portfolios etc
Please reply Box F4729 Financial Times 10 Cannon Street, EC4P 4BY

MORTGAGES
on Commercial, Industrial, Residential Properties
— at competitive rates
Write or telephone:
HIRSCH MORTGAGE (INT'L) LTD
Europe's leading Mortgage Brokers
15 Berkeley Street, W1
Tel: 01-629 5051 • Telex: 28374

ZnS — PbS
Company wishes to enter negotiation for supply up to 2,000 MT/month lead-zinc high metal content ore on annual basis
Reply to:
SVP PRESS SERVICE
Av du Bois de Sapins 43
B-1200 Brussels, Belgium
Telex: 63650 SVP PR

LICENSED DEPOSIT TAKER URGENTLY REQUIRED
To take over a scheme to reconstruct a provident and investment society, involving transfer of funds and assets to a registered company with a licence to take deposits.
Preliminary information only to principals:
Details 01-722 1666

We are specialists in Mergers and Acquisitions of European small and middle-sized businesses—joint ventures—searches.

Our intervention is free of charges for the investors. Please, don't hesitate to contact us for all information or requirements.

S. A. STONEHILL, STAS & Cy
Avenue des Pâturins, 4, B-1180 Brussels
W.P.A. MANAGEMENT ADVISORS LTD.
1, Dunraven Street, London W-Y 3FG

An alternative look at finance for industry.

Armco Finance have a fast and flexible array of solutions for finance problems.

- Short/Medium Term Loans and Overdrafts
- Commercial Mortgages
- Capital Equipment Financing
- Business Acquisition Loans From £50,000.

Please ring or write now for further details to:
Armco Finance Group
8 Queen Street, Mayfair, London W1.
Tel: 01-493 9841.

ARMCO
Armco Finance Group.

Turned down by your bank?

Highly qualified Bankers' Financiers and Money Brokers. Quick decisions on secured propositions in excess of £50,000.
We specialise in financial packages of £1m+. Fees payable only when facilities are agreed.
Barling Finance Brokers
18 Queen St, Mayfair, London W1X 8JN
Telephone: 01-629 7363

MANAGEMENT COURSES

INTRODUCTION TO MICROCOMPUTERS AS A MANAGEMENT TOOL OF THE 80s
Personal Tuition and Specialist Training for managers available. One day introductory courses leading to higher level instruction on spreadsheet programs held at Sheraton Heathrow Hotel, 30th Jan. 84. Places still available. Please contact Nicole Robinson, Wordbyte Ltd., 0628-781313/4.

SEMINARS

PERSONAL EFFECTIVENESS IN YTS
Enabling trainees to make the most of themselves
One day seminars for sponsors, managing agents, staff development officers, etc
11 January, 16 February, 13 March and 12 April 1984
Brochures from:
THE GRUBB INSTITUTE
Cloudesley Street, London N1 0HU (01-278 8061)

BUSINESS SERVICES

PensGiftsPens
★ Advertising Pens & Gifts
★ Promotional Pens & Gifts
★ Souvenir Pens & Gifts
★ Novelty Pens & Gifts
★ Luxury Pens & Gifts
Ask for colour catalogues:
01-346 8421 (24 hours 8424)
Telex 28732 EMCPEN G
emc THE PEN PEOPLE
42 Hendon Lane, Finchley N3 1TT

PROFESSIONAL ADVICE
If you need the services of a professional firm or business company in the following categories: Accountants, architects, Chartered surveyors, company searches, conveyancers, estate agents, insurance brokers, business travel, computers, recruitment, security, etc., call: 01-200 0200 (7-day 24-hour service)
Membership contains The Professional Data-Bank Ltd., PO Box 1AN, 28 Baker Street, London W1A 1AN. Tel: 01-486 7092

Translations and interpreting services in more than 45 languages and a great variety of subjects
JEAN-PAUL ROCHAT
CH-8700 Küsnacht, Switzerland
Phone 010-41-1 910 58 41, 910 78 77
Telex: 54037
Telefax: 010-41-1 910 98 04
New Branch office in Zürich

VENTURE CAPITAL REPORT, 2 The Mall, Bristol. The link between investment funds and small business. Investors and entrepreneurs ring (0272) 737222.

LONDON OFFICE, Knightsbridge. Facilities for Casual/Permanent users. Telex Facsimile, Typing, Word Processing, Address & Tel. Agency. Details Basil Services Ltd., 01-730 9958. Telex 8951859.

USE OUR progressive imagination to push forward the frontiers of your market share. Brice Huxford Limited, Advertising and Promotional Services, Nash House, St. Martin's Lane, Norwich. 0603 617037. Contact: G. B. Brice.

£2 A WEEK FOR EC1 ADDRESS combined with phone messages and telex under £5 a week. Prestige offices near Stock Exchange. Message Minders International. 01-628 0800. Telex: 8811725.

LIMITED COMPANIES & Company Searches! Very fast service. Credit cards accepted. 01-377 1474.

GUERNSEY. Do you need a local agent? We also provide full secretarial services. Write to Dupre Associates Ltd., Church Lane, St. Sampson, Guernsey, C.I. Tel: 0481-45773. Telex: 4191171.

CHAIRMAN'S OFFICE SUITE, luxuriously furnished and immediately available in Mayfair prestige building. Private telex. Phone: 01-437 5306.

BUSINESS WANTED

WANTED PRINTING COMPANY
Small to medium sized printing company wanted. Turnover approx. £1½m to £3m per annum serviced by a modern litho plant. Small web facility would be an advantage. Strong sales ledger with a good spread and some specialisation is preferable. Located in the South of England. Leasehold or freehold. Preferably profitable.
Principals please forward details in complete confidence to:
The Chairman, Box G8322
Financial Times
10 Cannon Street, EC4P 4BY

PRIVATE INDIVIDUAL SEEKS BUSINESS
Outright purchase, partnership or substantial equity stake sought by accountant in:
Garden Centre - Sports Club
Auction Room - Marine
Canal Hire Company
£100k-£400k available
Write in confidence to Box G6949, Financial Times
10 Cannon Street, EC4P 4BY

MANUFACTURERS OF
WATERPROOF & PROTECTIVE COATINGS PAINT INDUSTRIAL ADHESIVES
wish to purchase a small to medium company in a related field. Unprofitable companies and mergers welcome
Write Box G6347, Financial Times
10 Cannon Street, EC4P 4BY

MECHANICAL SERVICES
Leading HV & AC Company seeks expansion opportunity in Mechanical Services Sector
Brief details in total confidence to Box G9348, Financial Times
10 Cannon Street, EC4P 4BY

MAJOR USA HOUSEWARE MANUFACTURER
with well established subsidiary operating company in the UK desires to acquire UK manufacturer engaged in a similar trade.
Full particulars in confidence to:
S. P. Ennis, FCA, Roth & Co.
15/17 Ridgemount St, WC1E 7AH

PRIVATE HOLDING COMPANY
A Northern based group seeks profitable companies engaged in Leisure, Hi-Tech, Service and Distributive Industries
Up to £200,000 available per situation
Principals only reply in confidence to:
Box G9193, Financial Times
10 Cannon Street, EC4P 4BY

WANTED
We wish to acquire contract hire companies operating car and van fleets in excess of 100 units
Interested parties are asked to reply in strictest confidence to
THE MANAGING DIRECTOR
COWIE CONTRACT HIRE Limited
MILLFIELD HOUSE, HYLTON ROAD, SUNDERLAND SR4 7BA
TELEPHONE (0783) 44122

ETHICAL PHARMACEUTICAL COMPANY
Required for acquisition by medium sized UK subsidiary of multinational pharmaceutical organisation. We also seek to acquire ethical pharmaceutical products under licence for marketing by our very successful UK sales operation.
Please write in strictest confidence to:
Box G9214, Financial Times
10 Cannon Street, EC4P 4BY

BUSINESS ADVERTISING
Appears every Tuesday

PLANT AND MACHINERY

ROLLING MILLS, SLITTING LINES, WIRE AND ROD PLANT. Tel: 0902 42541. Telex: 336410. Wednesday Machines.

TRAVEL AGENCY for sale (non IATA). Small and well established in West End. Telephone 01-408 1097.

BUSINESSES FOR SALE

MORSE FLEXON

Opportunity to acquire the chain making and controls business of Morse Flexon

C&L

Situated at Letchworth and Stotfold near to the A1 and motorway systems.
Business occupies very long leasehold premises at Letchworth on 8 acres and totalling 110,000 square feet.
There are also distribution centres in Wolverhampton and Gateshead.
Turnover amounts to approximately £6.5 million per annum but product range is in the process of being rationalised.
A skilled workforce of long standing employees and an experienced management team are currently employed.
Products include a range of automotive, leaf end heavy industrial chains as well as sprockets, torque limiters and other machined products.

Cork Gully
Interested parties contact:
Richard A. Stone
43 Temple Row
Birmingham
Phone: 021-236 9966

RARE OPPORUNITY TO ACQUIRE ESTABLISHED BUILDERS AND PLUMBERS MERCHANTS IN NORTH-WEST ENGLAND
Excellent freehold trading position in progressive and expanding area suitable for heavy side and other activities. Company has well established trade connections and suppliers but is short of working capital. Brief prospectus available. Negotiations able to be concluded speedily.
Write Box G9354, Financial Times
10 Cannon Street, EC4P 4BY

FOR SALE BY THE JOINT RECEIVERS
Small business specialising in metallising, plastic decorating and gold foil blocking, situated in Haverhill, Suffolk. Annual turnover approximately £150,000. Full order book. Offers invited.
A. P. Locke and D. R. F. Sapte
BEGBIES
3 Raymond Buildings, Gray's Inn
London WC1R 5BH
Telephone: 01-242 6939

Video Library Chain & Hi - fi Retailer

London area

- 5,000 members operating from nine leasehold shops
- Central distribution and service departments
- Business and assets offered for sale as a going concern

For further information contact the Joint Receiver and Manager, A F. Jones, at:
Peat, Marwick, Mitchell & Co.
45 Church Street
Birmingham B3 2DL
Telephone: 021-233 1666
Telex: 337774

PEAT MARWICK

Leasehold Abbatoir with boning and packing facilities adjacent to London and M4 motorway

For further details contact:

S.J.L. Adamson C.A.
Arthur Young McClelland Moores & Co.
Rolls House, 7 Rolls Buildings
Fetter Lane, London EC4A 1NH
Telephone: 01-831 7130 ext. 4151

Arthur Young McClelland Moores & Co.
A MEMBER OF AMSA IN EUROPE AND ARTHUR YOUNG & CO. INTERNATIONAL

For sale as a going concern
JOBBING IRON FOUNDRY
Modern (1979) Purpose-Built Jobbing Iron Foundry Castings up to 2.5 tonnes. Turnover approximately £750,000. 26,000 square feet with additional land. Electrical furnaces and modern plant. Northants.
Principals only apply:
BOX FT/838, C/O ST JAMES'S HOUSE
4/7 RED LION COURT, FLEET STREET, LONDON EC4A 3EB

GENERATOR MANUFACTURER
FOR SALE AS A GOING CONCERN
Manufacturer of diesel and petrol engine powered generator sets to standard specification or particular customer requirements up to 1,000 KVA 50 HZ and 1,200 KVA 60 HZ. Location Ipswich. The company has a considerable future enquiry and order book for supply of generator sets in several important Middle Eastern countries and is a supplier to HM Government. Initial enquiries to:
AP Locke FCA Joint Receiver
Begbies Chartered Accountants
3 Raymond Buildings, Gray's Inn, London WC1R 5BH
Telephone 01-242 6939

OFFSHORE BUSINESS FOR SALE
TELEVISION & VIDEO HIRE & RENTAL
This company has a well established rental portfolio and an active retail shop based in a UK offshore tax haven. An ideal acquisition for an established operators in similar business
For information, principals only, apply Box FB1912
Financial Times, 10 Cannon Street, London EC4P 4BY

OPPORTUNITIES IN SPAIN
Take advantage of Spain's future entry into the EEC. We represent a number of PROFITABLE companies for outright sale or requiring fresh capital for expansion. Various industries in all parts of Spain. Investment range £50,000 to £15m
REDIRECTION SA
Paseo Mallorca, 26
Palma de Mallorca, Spain
Tel: (34-71) 21 20 46

ENGINE RE-CONDITIONING FACTORY FOR SALE
Up-to-date Factory available, located in London, fully equipped for 3 profitable engine re-conditioning business. Capable of re-conditioning 5,000 engines per year. Modern machinery, fully stocked with experienced personnel if required. Offers in excess of £150,000 from principals only in the first instance. To Box G9356, Financial Times, 10 Cannon Street, London EC4P 4BY.

COASTERS ARENA
INTERNATIONAL SPORTS COMPLEX

This major indoor sports venue in central Scotland has a 20,000 sq. ft. sprung hard wood floor up to the highest international standard and accommodation for 3,800 seated spectators, or up to 7,000 using part of the floor area. There is considerable promotional potential from varied leisure pursuits with wide-spread TV coverage due to the availability of full purpose-built lighting for televising national and international events including basketball, volleyball and Scotland's first-ever national six-a-side soccer tournament. Roller skating is a daily money spinner and the superbly refurbished stadium houses a sports shop, equipment hire centre, bars, restaurants, changing rooms and executive suites. A seven-day full entertainment licence has been secured for the leisure complex. Leasehold interest available.

O'Neill
Chartered Surveyors and Estate Agents.

EDINBURGH OFFICE at
100 HANOVER STREET
Telephone: 031-225 5515

07448K

The Receivers have for sale the business and assets of:
*DAVID ROME (LONDON) LIMITED
Top quality London childrenswear manufacturer
Assets include:
- Large Stock of girls dresses, aged 1-14 years
- Substantial spring order book
- Approved range of dresses for next winter season

Interested parties should contact:
Bernard Phillips or Martin Fishman
ARTHUR ANDERSEN & CO
PO Box 55, 1 Surrey Street
London WC2R 2NT
Telephone: 01-240 5671

ARTHUR ANDERSEN & CO

SECTIONAL SHEDS
For sale as a going concern the business and assets of shed manufacturer and distributor established 1924. Assets include plant and equipment, stock, work in progress and finished goods. Turnover for 6 months to July 1983 £155,000, premises subject to 99 year ground lease from 1970 at low rent.
Replies to:
HAND & CO
55-59 Newhall Street, Birmingham B3 3RE

COLLEGE FOR SALE
5,5000 sq. ft. 12 Rooms
CENTRAL LONDON, BRIGHT, SPACIOUS, MODERN
Please apply Box G9351
Financial Times, 10 Cannon Street, London EC4P 4BY

PRECISION ENGINEERING
Company in Croydon for sale as going concern. Includes long, valuable lease of 6,500 square foot factory.
Write Box G9335, Financial Times
10 Cannon Street, London EC4P 4BY

ENGINEERING COMPANY
Own product range. Freehold factory close M1 in Midlands. Trading profitably. T/o £½m. Employs 50. Owning group wishes sale to reduce group gearing.
Principals only please to:
Box G9338, Financial Times
10 Cannon Street, EC4P 4BY

MEDICAL DISABILITY FIELD
Opportunity exists to acquire business with new product. Investment of £200,000-£500,000 required. Good future prospects.
Write Box G8341, Financial Times
10 Cannon Street, EC4P 4BY

SMALL PRIVATE VITAMIN BUSINESS
with £20,000 available income yearly. Price £60,000
Established 9 years. Audited Accounts until April 1983
Write Box G8337, Financial Times
10 Cannon Street, EC4P 4BY

U.S.A. DISTRIBUTION
WAREHOUSE FACILITIES AVAILABLE IN CHICAGO AREA
Up to 4,000 sq ft inc. Office
Inventory receiving and shipping services provided for small industrial components or packaged goods
Write Box G9352
Financial Times
10 Cannon Street, EC4P 4BY

COMPANY NOTICES

FIDELITY FRONTIER FUND
Société Anonyme d'Investissement
37, rue Notre-Dame, Luxembourg
R.C. Luxembourg B 20.194

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the shareholders of Fidelity Frontier Fund, a société anonyme organized under the laws of the Grand Duchy of Luxembourg (the "Fund"), will be held at the principal and registered office of the Fund, 37, rue Notre-Dame, Luxembourg, at 11:00 a.m. on December 29, 1983, specifically, but without limitation, for the following purposes:

1. Presentation of the Report of the Board of Directors;
2. Presentation of the Report of the Statutory Auditor;
3. Approval of the balance sheet as at August 31, 1983 and income statement for the fiscal year ended August 31, 1983;
4. Discharge of Board of Directors and the Statutory Auditor;
5. Election of eight (8) Directors, specifically the re-election of all present Directors, Messrs. Edward C. Johnson 3d, William L. Byrnes, Charles A. Fraser, Hisashi Kurokawa, John M. S. Patton, Harry G. A. Seggerman and James E. Tonner and Finimtrust.
6. Election of the Statutory Auditor, specifically the re-election of the present Statutory Auditor, Maurice J. Sergant.
7. Approval of such amendments to the Articles of Incorporation as are necessary or appropriate to enable the Fund to adopt the status of a "société d'investissement à capital variable", including amendment of Article 3 to change the purposes of the Fund, Article 5 to change the amount of and manner of determination of the amount of the capital of the Fund, a portion of Article 22 to change provisions as to the limitations on assets available for repurchase of shares, the dissolution of the Fund and the status of repurchased shares, a portion of Article 24 to change the manner of determination of the Net Asset Value of shares, including by incorporation of the Fund's Valuation Regulations into said Article, Article 25 to change various provisions as to subscription for shares, Article 28 to delete provisions as to a legal reserve and to change amounts available for payment of dividends, and Articles 1 and 32 to change references to certain laws to which the Fund is subject, and deletion in their entirety of Article 7, relating to changes in the amount of the capital of the Fund, and Article 23, relating to creation of surplus accounts.
8. Consideration of such other business as may properly come before the meeting.

Approval of the above items of the Agenda will require no quorum and the affirmative vote of a majority of the shares present or represented at the Meeting, except that the amendments referred to in Item 7 will require the affirmative vote of two-thirds of the shares present or represented at the Meeting. Subject to the limitations imposed by law and the Articles of Incorporation of the Fund, each share is entitled to one vote. A shareholder may act at any meeting by proxy.

The amendments referred to in Item 7 will all be voted on as one proposal, rather than voting on each amendment separately, and if approved will become effective as soon as possible after the Meeting.

The full text of the above amendments in substantially their recommended form and a letter to shareholders explaining the reasons for the recommended change to the status of a société d'investissement a capital variable is being mailed to holders of registered shares along with this notice of meeting. Copies of these documents will be made available to holders of bearer shares who so request by contacting the Fund at 37, rue Notre-Dame, Luxembourg.

By Order of the Board of Directors

THE INDUSTRIAL CREDIT AND INVESTMENT CORPORATION OF INDIA LIMITED
U.S.$30,000,000 FLOATING RATE NOTES 1981-1991
UNCONDITIONALLY GUARANTEED BY THE STATE OF INDIA

Bondholders are hereby informed that the rate applicable for the 9th period of interest has been fixed at 12½%.
The Coupon No. 5 will be payable at the price of U.S.$261.03 on the 19th June, 1984, representing 185 days of interest, covering the period as from 19th December 1983 to 17th June 1984 inclusive.
The Reference Agent
and Principal Paying Agent
CREDIT LYONNAIS, LUXEMBOURG

NOTICE TO BONDHOLDERS
6½ PER CENT CONVERTIBLE GUARANTEED 1969 OF ASIA NAVIGATION INTERNATIONAL LIMITED, BERMUDA

NOTICE IS HEREBY GIVEN that the Register of Members of World International (Holdings) Limited, 16th Floor, World Shipping Centre, Harbour City, 7, Canton Road, Kowloon, Hong Kong, will be closed from 9th January to 13th January, 1984, both days inclusive, during which period the 6½ per cent Convertible, Guaranteed Bonds 1969 issued by Asia Navigation International Limited, Bermuda, on 6th March, 1979, will not be convertible into Fully Paid Registered Ordinary Shares of World International (Holdings) Limited.
By Order of the Board of
WORLD INTERNATIONAL (HOLDINGS) LIMITED
World-Wide Secretaries Limited
Secretaries
20th December, 1983

TRADINVEST BANK AND TRUST COMPANY OF NASSAU LIMITED
U.S.$150,000,000 FLOATING RATE NOTES 1981/1989 RETRACTABLE AT NOTEHOLDER'S OPTION IN 1987
(Guaranteed by Entz Nazionale Idrocarburi—E.N.I.)

Bondholders are hereby informed that the rate applicable to the 9th period of interest has been fixed at 10 15/16%.
The coupon No. 5 will be payable on the 19th of June 1984 at the price of U.S.$555.99 representing 185 days of interest, covering the period as from 19th December 1983 to 18th June 1984 inclusive.
The Reference Agent
CREDIT LYONNAIS LUXEMBOURG

NOTICE OF RATE OF INTEREST
NBE FINANCE (CAYMAN) LIMITED
US$40,000,000 GTD FLOATING RATE SERIAL NOTES 1987

In accordance with the provisions of the Reference Agency Agreement between NBE Finance (Cayman) Ltd. and Citibank N.A., dated June 15, 1982, notice is hereby given that the Rate of Interest per US$9,000 Note has been fixed at 11¾% p.a. and that the Interest Payable on the relevant Interest Payment Date, 19th June, 1984 against Coupon No. 4 will be US$511.85 and has been computed on the actual number of days elapsed (183) divided by 360.
By CITIBANK, N.A.
CSSI Dept.
Reference Agent
December 20th, 1983.

PERSONAL

FACT
THE BRITISH DIABETIC ASSOCIATION IS THE LARGEST SINGLE CONTRIBUTOR TO DIABETIC RESEARCH IN THE U.K.
HELP DEFEAT
DIABETES
Join us — Help us Support us
BRITISH DIABETIC ASSOCIATION
10 Queen Anne Street
London W1M 0BD

JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED
GOLD MINING COMPANIES' DIVIDENDS
(All incorporated in the Republic of South Africa)

The following final dividends have been declared for the year ending 31st December, 1983:

Companies (Incorporated in R.S.A.)	Dividend Number	R.S.A. Cents per unit of stock or per share
Elsburg Gold Mining Company	20	20
The Randfontein Estates Gold Mining Company, Witwatersrand, Limited	97	800
Western Areas Gold Mining Company Limited	36	40
Last date for registration		27th January, 1984
Registers close (dates inclusive)	from to	28th January, 1984 3rd February, 1984
Currency conversion date (for payments from London)		20th February, 1984
Date of payment		2nd March, 1984

These dividends are payable subject to the customary conditions which may be inspected at or obtained from the companies' Johannesburg office or from the London Secretaries, Barnato Brothers Limited, 99, Gresham Street, London, EC2M 3XE.

Holders of share warrants to bearer issued by The Randfontein Estates Gold Mining Company, Witwatersrand, Limited should attend to the terms of a notice to be published by the London Secretaries on or about 22nd February, 1984.

By order of the Boards
JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED
Secretaries
per: D. J. BARRETT

Head Office and Registered Office,
Consolidated Building
Fox and Harrison Streets,
Johannesburg 2001.

PUBLIC NOTICES

INTERVENTION BOARD FOR AGRICULTURAL PRODUCE
INVITATION TO TENDER
Tenders are invited for the urgent supply of 30,740 tonnes of bulk soft wheat for delivery on a fob stowed and trimmed basis to an EEC port. Loading shall commence no earlier than 25 January 1984 and no later than 8 February 1984 for 15 days. The price for the supply and transportation costs of the soft wheat for the above tenders will be determined on examination of the tenders which must be submitted by noon on 18 January 1984 to: Home Grown Cereals Authority, Hamlyn House, High Gate Hill, London N19 5PR.
Notices of invitation to tender together with tendering forms may be obtained from:
Branch B (Cereals), Internal Market Division
Intervention Board for Agricultural Produce, Fountain House, 2 Queens Walk Reading RG1 7QW - Tel: Reading (0734) 583625 Ext 388/276

ART GALLERIES

BROWSE & DARBY, 19, Cork St., W1. 01-734 7984. JAMES GEEVE. Paintings and Watercolours.

LE FEVRE GALLERY, 50, Bruton Street, W1. 01-493 1572. Important XIX and XX Century works of art on view. Nov. 23rd-Dec. 21st. Monday-Friday 10-5; Saturdays 10-12.30.

MACKINNON & STRACHEY, 17, Savile Row, W1. 01-734 6911. Exhibition of 18th century English and French Watercolours. Mon.-Fri. 10-5.30.

ODETTE GILBERT GALLERY, 5, Cork St., London, W1. The newest gallery in London specialising in living British artists is now open. Mon.-Fri. 10-5.30. Sat. 10-1. Tel: 01-437 3175.

PARKER GALLERY, 12a-12b, Berkeley Street, London, W1X 5AD (opposite Mayfair Hotel). Tel: 01-499 3303.

RICHARD GREEN, 4, New Bond St, W1. 01-409 3887 EXHIBITION OF 19th & 20th CENTURY FRENCH PAINTINGS. Daily 10-6. Sats 10-12.

RICHARD GREEN, 36, Dover St, W1. 491 3277. CHRISTMAS EXHIBITION OF VICTORIAN PAINTINGS UNDER £6,000. Until 22 Dec. Mon-Fri. 10-6; 10-12.30.

RICHARD GREEN, 44 Dover St, W1. 01-491 3277. EXHIBITION OF OLD MASTER PAINTINGS. Closes 23 Dec. Daily 10-5; Sats 10-12.30.

RICHARD GREEN, 38 Dover St, W1. 491 3277. CHRISTMAS EXHIBITION OF VICTORIAN PAINTINGS UNDER £6,000. Closes 22 Dec. Mon-Fri 10-6; Sats 10-12.30.

CLUBS

RAMON'S NIGHTCLUB RESTAURANT, 42, Dean Street, W1. Where today's businessman can raise and enjoy an exciting evening. Various cabaret acts throughout. Charming and discreet dancing partners available. Open nightly 9 pm to 3 am. 01-437 9455.

EVE has outlived the others because of a policy of fair play and value for money. Supper from 10-3.30 am. Disco and top musicians, glamorous hostesses, exciting floorshows. 189 Regent St. 01-734 0557.

CLASSIFIED ADVERTISEMENT RATES

Effective January 3, 1984

	Per line Minimum 3 lines	Single column cm Minimum 3 cms
Commercial and Industrial Property	9.50	33.00
Residential Property	7.50	25.00
Appointments	10.00	34.50
Business, Investment Opportunities, Business for Sale/Wanted	9.50	33.00
Personal	7.50	25.00
Motor Cars	7.50	25.00
Hotels and Travel	7.50	25.00
Contracts and Tenders	9.50	33.00
Book Publishers	—	net 15.50

Premium positions available
(Minimum size 30 column cms)
£6.00 per single column cm extra

For further details write to:
Classified Advertisement Manager
Financial Times, 10 Cannon Street, EC4P 4BY

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Tuesday December 20 1983

A single market in Europe

IT WILL take more than a mere merger between Philips of Holland and Grundig of West Germany to create a "European solution" to the problems created by the success of Japanese manufacturers in the European market for electronic consumer goods. Past experience of European combinations across national frontiers confirms that there are no quick fixes available in restoring Europe's competitiveness. Philips and Grundig will only thrive if the combined operation can be run rigorously and as one flexible entity by the Philips management, and if the joint company is then permitted to exploit the right opportunities across the whole European marketplace.

Already decided

The right opportunities are those products in which the combined group can stand upon its own feet as an innovator and producer. A senior official of the West German technology ministry, Dr Uwe Thomas, warned recently against European companies and government officials becoming obsessed with products like video recorders and video games, where the battle for producer dominance has already been fought and the outcome decided in the 1970s. "We should continue to manufacture first-class colour television sets in Europe — but we should by no means make a second steel industry out of this sector if it gets into trouble," he said. Philips and Grundig cannot expect to be treated like a protected species.

When the present French Government first came into office, its catch-phrase in industrial policy was that "there are no condemned sectors, only obsolete technology." Since then, a more pragmatic view has gained ground in France, which might be paraphrased: "There are no condemned sectors or sectors of guaranteed success, only well-run companies and badly-run companies."

This change in French perceptions is part of a general shift in national economic attitudes within the EEC in the direction of freer enterprise. The mix of policy changes varies considerably from country to country, and some have started later than others. But the ingredients are: efforts to control government borrowing, a clampdown on eligibility for and benefits of social security, privatisation of state enterprises, further tax incentives for the corporate sector, legal restraints on the activities of trade unions and moves towards deregulation in the national markets for goods, services, labour and capital.

Such efforts at a national level to shake up comfortable assumptions and economic rigidities borne of 20 years of mounting prosperity are only the first phase of what is needed. The second is to make the entire European marketplace available to the more effective enterprises which should result from this process.

There is already widespread tacit support for the cause of trade freedom within Europe, but the cause seems to remain low on the collective list of priorities. Partly this is because the EEC's budget problem still dominates high-level thinking. Partly it is because European trade freedom involves a myriad frontier rules, technical norms, service sector conventions, and public procurement restrictions which can only be unpicked with great labour. And partly it is because it involves fundamental choices as to how dirigiste and protectionist Europe should be.

Now that national economic policies are becoming more rigorous, it is time to devote a great deal more political will to making the European marketplace keep up with the times.

Higher priority

The painstaking work of the EEC's internal market council o ftrade ministers needs to be given higher priority, as they seek to eliminate unnecessary rules restricting trade between member states. There should be a determined attempt to give a European dimension to public procurement policies. The talks between the UK and France exploring the idea of a joint market for telecommunications equipment are a bilateral step in the right direction; it is in capital goods and telecommunications where the opportunities for European electronics companies are most interesting and where the benefits of a unified market are most significant.

Leaks, the press and the law

THE CASE of the document leaked from the Ministry of Defence to the Guardian newspaper is a peculiar one by any standards. The document was deposited anonymously at the paper on October 21. It concerned the tactics to be adopted by the Government to Parliament and the Press on the arrival of the first cruise missiles at Greenham Common. The Guardian checked the information it contained against other sources and eventually published it in full. Last week the Court of Appeal ordered that the document must be passed to the Treasury solicitors, and the newspaper had little alternative but to comply.

There is no automatic sympathy for anyone—whether in the Civil Service or in the private sector—who deliberately leaks confidential information and who does so anonymously. Although in extreme cases, involving say corruption, such behaviour might be justified, this was not one of them. It appears to have been a mischievous leak for political purposes, and the Government is quite right to wish to find the culprit.

It is the way in which the Government has gone about it, however, that gives cause for concern. The statute involved was Section 10 of the 1981 Contempt of Court Act. It is worth noting that the section was designed to protect the recipients of information, not to punish them, and that the law had not been previously tested in the courts.

The section reads: "No court may require a person to disclose, nor is any person guilty of contempt of court for refusing to disclose, the source of information contained in a publication for which he is responsible, unless it be established to the satisfaction of the court that disclosure is necessary in the interests of justice or national security or for the prevention of disorder or crime."

Vague

It can be seen at once that the wording is extremely vague. Although there must be some definitions of "national security" which few people would dispute, there must be many more cases where there is room for doubt.

This lack of clarity seems to have had its effect on the judges. For the most remarkable fact about the case is that there was no single point on which all the judges agreed. In the High Court Mr Justice Scott rested the Government's case for the return of the document more on the ownership of copyright than on Section 10 of the Contempt of Court Act. Yet in the Appeal Court the emphasis switched to the security question. Lord Justice Griffiths found that there might be grounds under Section 10 under which the newspaper could keep the document. But it was the Government's insistence that national security was involved—on the grounds that the leaker must be found before he or she leaked something else—that carried the day.

Haste

The whole business seems also to have been conducted with unseemly haste: from the High Court to the Appeal Court within 24 hours. And while the appeal judges gave the newspaper leave to appeal to the House of Lords, they refused to grant an application that the return of the document should be delayed until the appeal had been heard.

Two points arise; one general and one particular. The general point is that there is something wrong with a system of government which is recurrently throwing up problems about secrecy. Too many documents are marked secret in the first place and too many decisions are made in private when they could be made more openly. The result is a temptation to leak and, from time to time, the bringing in of the clumsy apparatus of the law.

The particular point is that the judgment in the Guardian case should be challenged. The paper has the right to go to the Lords. It should do so. For it is doubtful whether the statute has been applied in the way it was intended. The Government's case on security grounds was flimsy, the recipients of information have not been protected, the culprit is unlikely to be found in this way, and above all the law needs to be clarified.

Japan's election

Nakasone: suddenly all bets are off

By Jurek Martin in Tokyo

OF THE five previous Japanese Prime Ministers none lasted much more than two years in office. One died, one resigned under a cloud of scandal, one simply gave up the ghost and the other two got themselves into insuperable political difficulties.

Now it is going to take Mr Yasuhiro Nakasone a lot of luck and domestic political skills of a dimension he has yet to display if the string is to be broken.

All his predecessors were from the same conservative party, the inaptly named Liberal Democrats, who have run Japan as the LDP since 1955 and, in a different manifestation, since 1948. As the party presided over the incomparable Japanese economic miracle and its generally successful adaptation to the more straitened circumstances of the last decade, it sometimes seemed to matter little who was personally in charge of the shop at any given time, so effective was the combination of a broad national consensus, an efficient bureaucracy and a thrusting private sector.

It is not clear if Sunday's general election has changed this fundamentally. In the short term, it has obviously gravely damaged and may even mark the beginning of the end of the political career of Mr Nakasone himself, seen in Washington and Europe as something of a symbol of a new, more cooperative and outward-looking Japan. A weaker, less asertive government, marching principally to a domestic political drummer, seems inevitable.

This may come as a greater shock to the western world than to the Japanese themselves, who still prize deference more than outspokenness, who have never found Mr Nakasone particularly attractive and who may derive some pleasure in seeing him cut down to size.

Yet Mr Nakasone was at least addressing some of the larger issues of the day, which few other Japanese politicians do. Even if only by default, he was thus giving a sense of leadership to the conduct of Japan's external relations. And Sunday's elections could leave a vacuum at a patricularly sensitive time in international affairs.

The ruling party has suffered setbacks of comparable magnitude before, and recovered. It did much worse in 1976, for example, an earlier election also dominated by the Lockheed scandal, yet four years later won a landslide victory. Its share of the popular vote on Sunday, nearly 46 per cent, was four points above its 1976 nadir and only two below what it scored in 1980, representing minimal erosion of the base of its support: and it will almost certainly form the next government because it can obtain the simple majority it lost on its own account this time by co-opting enough conservatives from the 16 independents returned to the new Diet.

Rarely can an electorate have offered such a bewildering array of contradictory signals. For a start, in a very un-Japanese way, people stayed at home in record numbers (according to Mr Nakasone because of frigid weather); equally untraditional was the wholesale eviction of many older MPs in favour of the younger generation.

Obviously many Japanese did vote, or chose to abstain, on the issue of political ethics, which hurt the LDP as the party in power. But they returned the national arch-villan, Mr Kakuei Tanaka—his two-month old Lockheed bribery conviction notwithstanding—with what was said to be the largest individual majority ever won by a contemporary Japanese politician. Two other MPs involved in headline-making scandals were also sent back to the Diet.

Moreover, the Tanaka political faction did less badly than its principal LDP rivals, thus simultaneously making it more difficult for Mr Nakasone to dispense with Mr Tanaka's backing and for the party to free itself of the Tanaka connection by "doing something serious" about political ethics. Just about all the individual politicians who would like to be Prime Minister saw their positions weakened, which may give Mr Nakasone some perverse comfort.

Perhaps the most clear-cut lesson was in the opposition's performance, a notable triumph for the forces of the middle and for the virtues of organisation (which the LDP, by running too many candidates, seemed to forget this year). If one politician's stature has clearly been enhanced it is that of Mr Masashi Ishibashi, the Socialist leader, who not only saw his party make its first gains in eight years, but who was also the architect of the pooling of resources with the centre parties. Komeito and the Democratic Socialists, in key constituencies.

Assuming he survives as Prime Minister, which he may though largely for want of a viable immediate alternative, Mr Nakasone is now going to have to tread very carefully. The outside world can probably forget about bold Japanese initiatives in strategic security affairs or the trade field—and the U.S. may have to forgo an early end to the ceiling that limits defence spending to 1 per cent of Gross National Product (it currently hovers at 0.98 per cent).

In domestic policy largely neglected in the Nakasone first year, similar constraints apply, because the Government is unlikely to be strong enough to ram proposals through parliament, or the bureaucracy. Privatisation of government entities, like NTT, the telecommunications monopoly, and parts of the railways, will probably proceed more slowly, as will Mr Nakasone's own desire for education reform.

But the first hurdle, and a sure indicator of how the political scene will develop, is the formation of a new Cabinet, presumably though not certainly within the next ten days. For it is in cabinet making that the intricate Japanese art of balancing political interests comes into play; Mr Nakasone's survival even into the New Year may depend on how he handles this task.

His first cabinet, three of whom were defeated on Sunday, was dominated by Tanaka men and his dependence on the Tanaka faction has not been diminished. Yet there is no doubt that all the other factions ascribe their losses to the Tanaka affair and are extremely bitter about it; indeed, the sharpest critics, the Fukuda and Komoto factions, believe the party as a whole cannot address the question of political ethics without resolving the former Prime Minister's status in the Diet; after the tion, many of them may well support a renewed opposition attempt to call on him voluntarily to resign. The LDP's losses make such a resolution eminently more possible, but it is far from clear how Mr Nakasone will square such a difficult circle.

Compounding the problem is the fact that each faction is ambitious, both for more power for itself and for the potential Prime Ministers it harbours within it. The current line-up features Finance Minister Noburo Takeshita (Tanaka faction, though said to be not a favourite of Mr Tanaka himself), Mr Toshio Komoto (his own faction), Mr Kiichi Miyazawa (Suzuki) and Foreign Minister Shintaro Abe (Fukuda, though some say the grand old man himself wants another crack at Mr Nakasone's job before he gets too old), plus others as yet undreamed of—Mr Zenko Suzuki was the perfect example of a virtual unknown hauled from political obscurity in 1980 to fulfil a perceived party need for a non-controversial interim leader.

The factions themselves are also divided into categories, "mainstream" and non-mainstream." The historical justification for the delineation was to identify those which were part of the original conservative re-alignment of 1955 which produced the modern LDP; today the distinction depends on whether or not a faction generally supports the Prime Minister and party leader on the main issues of the moment.

Presently, the mainstream consists of the Tanaka, Suzuki and Nakasone factions, the non-mainstream Fukuda and Komoto (there are also independents and a small rump still bearing the name of the late Mr Ichiro Nakagawa). It is, however, a moveable feast. For a long time the Nakasone faction was non-mainstream; Mr Fukuda's the reverse.

However policy differences, as opposed to more frequent disagreement on political tactics, are only sometimes a factor in these divisions. Mr Komoto's advocacy of deeper tax cuts and a greater official commitment to economic growth mark him out as something akin to a British Tory "wet" (it also makes the opposition wonder if he can be seduced away from the LDP to head a coalition government). But the parallel should not be continued too far; the Tanaka faction, for example, which is full of a lot of hard dry men, is also associated with its leader's belief in the efficacy of heavy public works spending.

There are also abades of difference, again moveable, on foreign policy, defence spending and the re-writing of the post-war "peace" constitution. Mr Nakasone was considered a hawk before he entered office and has done nothing in the last year to dispel the image. The current non-mainstream factions tend to be more restrained about hitching the Japanese star completely to the American wagon, though whether out of conviction or the tactical necessity of not giving Mr Nakasone too free a rein is a moot point.

However, it would be unwise to exaggerate the policy differences, which, political ethics excepted, never really surfaced in this last campaign. Each faction is underwritten by business and each exists primarily to preserve its own self-interest. Since the spread of opinion between them is usually not that wide, it has often proved quite easy to reach ally conservative framework. It ally conservatice framework. It is precisely this predictability, allied to the absence of any real threat from the left, which has enabled the bureaucracy to draft policies in the secure climate of political stability.

Japan has been comfortable with the notion of strong central government since Tokukawa Ieyasu united the country in 1600. Today probably only France has a civil service of comparable quality, certainly in the upper echelons. To be a successful bureaucrat in Japan is to know genuine status, and the country's post-war record, while not blemish-free, explains why.

Interestingly, the only modern Japanese politician to attempt to tackle the bureaucracy on its terms was Mr Tanaka, especially when Minister of Finance, from which most power flows, in the 1960s, and he is much admired by the civil service, no less, for his performance then. Generally politicians shift around ministries much as they do in Britain, though generally with less impact; sometimes bureaucrats become politicians.

The hegemony of the civil service is not necessarily threatened by Sunday's elections, the Socialist gains notwithstanding; political ethics is but a tangential issue to the civil service.

Where the bureaucracy has needed help from the politicians is in handling pressure from outside Japan. Over the years, the politicians have fielded, or deflected a lot of this fire, though, in his first year, Mr Nakasone was something of an exception. He, more than any other recent Prime Minister, prodded the bureaucracy into re-examining its rules and practices (especially in foreign trade).

But Mr Nakasone operated during this year from a position of some political strength and this has now been dramatically weakened. This political enfeeblement, even if temporary, comes at an inconvenient time for Japan, which faces several pressing problems, externally on defence spending and trade liberalisation—on both of which pressures can be expected to increase in a U.S. election year—and, internally, on the imperative to restructure the Government's finances. It is likely that the bureaucracy will have to shoulder the burden of meeting these challenges, at least for the time being.

In which case, the next few months could be an interesting test of Japan's ability to run itself, as it likes to think it used to, by the mysterious osmotic process of consensus. The only trouble with this hypothesis is that the election appeared to prove that there was very little consensus on anything, unless it was that it was too cold to vote. This may be why there was at least some speculation in Tokyo last night that next summer could see another snap test of national opinion.

Prime Minister Yasuhiro Nakasone sipping tea while awaiting the election results.

HOW THE FACTIONS WORK

THE FIVE leading factions (Tanaka, Suzuki, Nakasone, Sukuda and Komoto) are really parties-within-a-party. With the opposition enfeebled for so long, the LDP factions have essentially become the real political action in Japan. The frequency with which Government leadership changes hands in Japan invariably reflects factional in-fighting, which in turn generally stems from personality conflicts and rivalries.

Factions have also flourished for two social reasons—the Japanese preference for doing things in a group and the highly developed national sense of mutual obligations. Some factions, most notably that beholden to Mr Takeo Fukuda, are held together by nothing more sinister than marriage.

Yet their common gine is really money, the single most pervasive force in Japanese politics, both during and between elections. In effect the faction acts as the money-raising mechanism, accepting funds from corporations and doling them out to faction members who are, of course, by definition reliable. This can be conducted on an impressive scale; one single fund-raising conducted for Mr Toshio Komoto earlier this year, saw 5,000 guests, mostly executives, paying Y30,000 (about £90.00) apiece into the faction coffers.

Their financial resources are indispensible to any aspiring LDP politician as is the clout they can bring to bear in determining both party policy and the division of patronage. Mr Tanaka is the past master at deploying patronage most effectively.

Men & Matters

St. Michael's men

Lord Sieff, the man who guided Marks and Spencer into its present premier position in British retailing, has finally decided to step down as chairman in favour of Mrs Thatcher's favourite civil service axeman Lord Rayner.

The move is to take place next July after the company's annual general meeting. It coincides with a wholesale shake-up at the top of Britain's largest and most successful retail chain. Out into retirement go Michael Sacher, vice-chairman; John Samuel, finance director; and directors Frank Hirst and Vernon Osborne. These directors have been with the group for between 28 and 35 years.

In comes a trio of young blood to add support to the 57-year-old Lord Rayner. Andrew Lusher and Don Tragmar have both made their names in such newly-important areas for M and S as menswear and new product development.

But the surprise among the new men is Keith Oates who was headhunted as finance director because of his wide expertise in handling the international currency markets.

Oates is currently the finance vice-president of Thyssen-Bornemisza, an international industrial holding company. His appointment is unusual for Marks in that he comes from totally outside the company's sphere of operations. The usual route to one of the plum jobs in British commerce normally comes via a family involvement, or after many years seasoning as a senior executive.

Lord Sieff will become president of the company and will remain a working director. He tells me that he plans a more active role in the House of Lords as well as campaigning more vigorously to persuade British retailers and manufacturers to meet more of consumer demand from within Britain.

M and S, under Lord Sieff's leadership, has established itself as one of the main champions of British-made goods.

On camera

Goldcrest Films ad Television, symbol of the revival in the British film industry, has chosen an American, Sandy Lieberson, to be its chief of production.

"But he's a very anglicised American," insists chairman and chief executive James Lee.

Lieberson is a former president of worldwide production at Twentieth Century-Fox, and, at present, vice-president, international, for the Ladd Company.

He first came to London from Hollywood in 1965 to take charge of the UK and European operations of a U.S. talent agency, representing such clients as Peter Sellers and the Rolling Stones.

Three years later, he founded his own production company, Goodtimes Enterprises. And the following year, he brought David Puttnam in as a partner. Together they produced over 15 films including Bugsy Malone, That'll Be The Day, Stardust, and Brother Can You Spare A Dime.

Lieberson, aged 46, was also involved in the backing and distribution of Puttnam's Chariots of Fire, and as he takes charge of Goldcrest's development of film and television programmes, will renew the hitherto successful relationship.

Puttnam's production of The Killing Fields is near completion after 16 weeks' shooting in Thailand, the U.S., and Canada. Another of his films, CAL has just finished shooting in Ireland.

Liberson says that his move is due to the fact that things "seemed to be winding down a bit" at Ladd Films.

At Goldcrest, on the other handws, things are moving fast. Shooting will start in March on The Emerald Forest in Brazil: and a major film is being planned to be produced and directed by Sir Richard Attenborough, creator of Gandhi. Goldcrest's biggest money-spinner so far.

Credit rating

The Washington-based Institute of International Finance—the bankers' monitor of performance in debtor countries—is about to get a German heavyweight as its deputy managing director. He is Horst Schulmann, aged 50, economic policy adviser to Helmut Schmidt during his years as German Chancellor.

As Schmidt's personal "sherpa," Schulmann helped prepare the ground for Western economic summit conferences for five years. He also played a big hand in putting together the European Monetary System in 1978.

Schlumann is no stranger to Washington. He was employed there by another "workaholic" boss, Robert McNamara, then head of the World Bank.

Schulmann will be joining Andre de Lattre, of France, already named managing director of the IIF. Both formally take up their jobs in the new year when this initiative by the private banking sector will finally get under way.

It is more than two years since a group of banks began to discuss the creation of a body which would provide them with better information about the economic state of the world's debtor countries. Many leading banks have since joined in—but there are still some notable absentees. One is Deutsche Bank, the biggest in Germany. Schulmann is a persuasive man, perhaps he will tempt his cautious countrymen to join.

Hanson's trust

Hanson Trust, the acquisitive industrial holding company which slapped in a £170m bid for London Brick last week, has never disguised its admiration for Mrs Thatcher and all she stands for. If anything, the praise in this year's annual report is more fulsome than ever.

"The overwhelming vote cast by the people of Britain in the 1983 general election in favour of clear leadership, determined resistance to inflation, return of freedom to the individual and the policy of shrinking the bureaucratic state, was a watershed for the UK," gushes Lord Hanson in his chairman's statement.

As usual, shareholders are treated to a newspaper cutting lauding the virtues of Conservative philosophy. This year Hanson includes an article from the Daily Mail which proclaims that the Prime Minister's strength is her ordinariness.

The report and accounts also disclose that Hanson is prepared to put its money where its mouth is. Last year its contribution to Conservative Party funds doubled to £80,000.

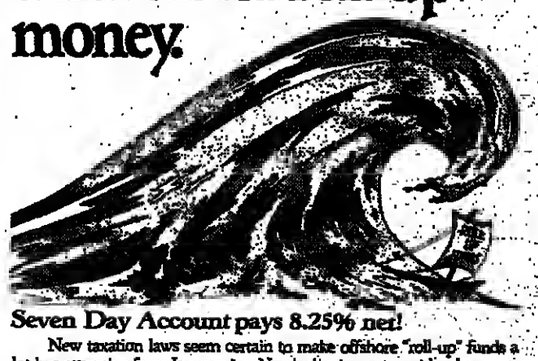
The company has every reason to be satisfied with the current political environment. Since 1980, its earnings per share have more than doubled. And Lord Hanson himself has little reason to complain. Yesterday afternoon, as he was delivering his maiden speech in the House of Lords, it emerged that his salary shot up from £87,000 to £140,000 in the year to September.

Cut prices

Poor surgeons can no longer blame their tools. The magazine Hospital Doctor has some useful Christmas gift ideas in its latest discount shopping list. It offers hand saws in six sizes, and planes capable of providing "a precise and regular cut, and superb surface finish."

Observer

Abbey National have a haven for roll-up money.



Seven Day Account pays 8.25% net!

New taxation laws seem certain to make offshore "roll-up" funds a lot less attractive from January 1st. Now's the time to consider the alternatives. Where else can you enjoy a high return with ready access to your money? If you are a taxpayer, you will have to look a long way to beat the current rate offered by Abbey National's Seven Day Account.

Beats banks, markets, finance houses.

Our rate of 8.25%, net of basic rate tax, comfortably exceeds the net return from such commonly recommended "accessible" high-interest deposits as money markets, local authorities and Ceefax-quoted finance houses. As for conventional clearing bank deposits, our net even exceeds their gross!

Only seven days notice.

Whether you consider it as a permanent harbour or temporary haven, the Seven Day Account will welcome you back on shore. Your money is readily available on seven days notice of withdrawal, with no financial penalties whatever for withdrawal.

The maximum investment is £30,000 (£60,000 for joint accounts). The minimum just £100. Come in out of the storm!

To: Dept., 7.D.B., Abbey National Building Society, FREEPOST, United Kingdom House, 180 Oxford Street, London W1E 3YZ.
I/We enclose a cheque, numbered _____
for £_____ to be invested in a Seven Day Account at my/our local branch in _____ I/We understand that the rate may vary.
Full name(s) _____ FT66
Address _____
_____ Postcode _____
Signature(s) _____ Date _____

ABBEY NATIONAL SEVEN DAY ACCOUNT

ABBEY NATIONAL BUILDING SOCIETY, 27 BAKER STREET, LONDON W1M 2AA.

BRITAIN'S ENGINEERING INDUSTRY

The TI barometer swings back

By Ian Rodger

MR RONNIE UTIGER, whose nomination as the next chairman of TI was announced yesterday, will take over just as the group appears to be regaining its position as a leader of Britain's engineering industry.

TI, formerly Tube Investments, is one of a handful of large engineering companies, including Guest Keen and Nettlefolds, Vickers and John Brown, that in the past always had a special position as a barometer of the country's industrial health.

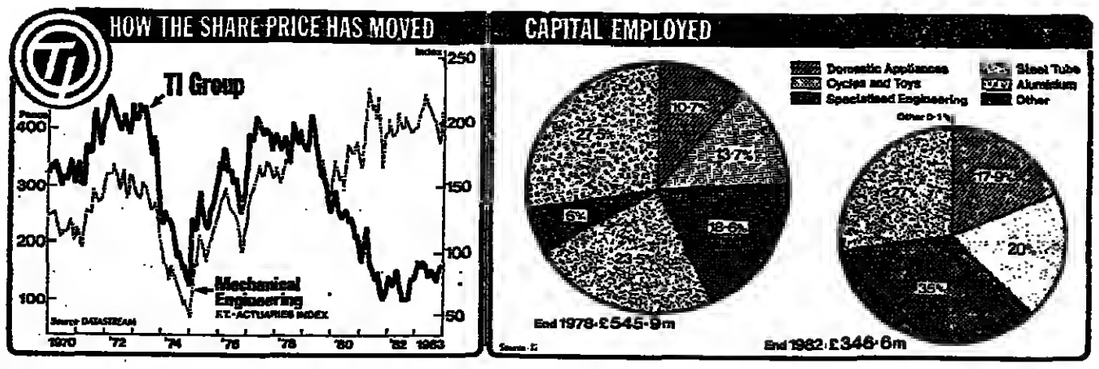
All have suffered major reverses in the past four years. All are now at various stages of recovery. And all have had to restructure their operations in the battle to survive in an increasingly hostile climate.

TI for example, has

- withdrawn from most of its traditional "metal-bashing" businesses and is going instead for strong international positions in a few specialised engineering "niches."
- restored the competitiveness of its big domestic appliance business and is well on the way to doing the same at its Raleigh bicycle subsidiary. Investment in plant and product overhauls has been massive.
- built up its presence in the stable, but highly competitive, markets of the U.S. and Western Europe while reducing its interests in the former colonies and other less promising markets. Europe and the U.S. now account for about two-thirds of TI's overseas sales, compared with roughly one-third in 1975.

Yet for all this, TI still lacks a clear identity. Sir Brian Kellett, the retiring chairman, says the group now "has a shape that should serve it well." But many analysts are still looking for the logic which links two large consumer product businesses with a handful of largely unrelated engineering activities.

TI has always had a rather amorphous shape. Founded in 1919 to consolidate a number of tube-making and tube-using companies, it expounded upstream in the 1950s into steel-making and downstream in the 1960s into bicycles. Along the way, it diversified into some capital goods fields, notably machine tools and electrical equipment, and into domestic appliances. In 1959, following a landmark bid battle, it acquired control of an integrated aluminium company, British Aluminium.



Bob Hutchison

This evolution never had any apparent logic and some moves, such as that into machine tools, have never produced a useful return.

It was in the mid-1970s that it all began to go wrong. The post-1973 oil crisis slump undercut the company's plan to repair its balance sheet following a spending spree. A rights issue raised £13.8m in 1975, but, to the dismay of the City, TI came back two years later with a call for another £39m.

Doubts about the group were soon reflected in the share price, which had previously moved roughly in line with the FT-Actuaries mechanical engineering index — as a good barometer should. The shares began to underperform.

It was an inauspicious start for Sir Brian Kellett, the shy mathematician who had succeeded Lord Plowden in 1976 as chairman. But much worse was to come.

In 1979, Raleigh's market bases in Britain, the U.S. and Nigeria crumbled. In 1981, the slump in steel demand and prices forced TI to sell its 50 per cent stake in Round Oak Steel Works. In the same year, the Invergordon aluminium smelter had to be closed, and last year TI disposed of British Aluminium altogether, once one of its great hopes for the future. Meanwhile, the full weight of the recession was concentrated on the engineering business.

From peak profits of £80m pre-tax in 1978, the group tumbled into a £23.1m loss in 1981. The 1981 dividend was less than a third of the 1979 payout; the market capitalisation of £50m in late 1981 was only a third of the level when Sir Brian took the chair.

Sir Brian insists that TI was already planning to concentrate on higher value products when the sharp downturn in its fortunes occurred. But to many analysts it sometimes seemed otherwise.

Take aluminium, for example. In the late 1970s, the industry was booming. BA's contribution to TI profits jumped from £1.6m in 1973 to £11.7m in 1977. When the opportunity arose in 1978, TI raised its stake to 58 per cent and described aluminium as "a business area of major involvement for TI."

In fact, BA was in a perilously weak position compared to its multinational competitors and when the next slump hit the notoriously volatile aluminium market, the company became a crippling burden on TI. It was sold at a distress price and TI had to absorb more than £50m in losses and write-offs in 1981 and 1982.

It is more difficult to be critical about the delays in running down the steel and steel tube operations. Given the crisis in the industry over the past few years, there have been no good opportunities for disposals. Also, the division was profitable until the second half of last year.

Meanwhile Raleigh was taking a long and costly time to sort out. When TI acquired it in 1960 Raleigh was the dominant force in the UK bicycle market with a 75 per cent share and a worldwide presence. But its share of the British market slid gradually over the next 20 years to 38 per cent.

The company had failed to respond to demand in the industrialised countries for sophisticated bicycles, and it remained too dependent on the sale of basic models to Third World users.

Raleigh is now in the midst of a three-year modernisation programme at Nottingham budgeted to cost £15m, more than four times its depreciation rate. The product lines have been revamped and the emphasis on integrated production and assembly dropped.

Already, Raleigh's UK market share is back to 50 per cent, and 30 per cent of output goes to Western Europe. The programme is on target and the company will see "a little profit" next year, says Mr Michael Boughton, the TI director responsible for Raleigh.

Mr Boughton flatly denied that TI would sell Raleigh to a Japanese manufacturer.

TI's prescription for Raleigh is a virtual copy of the one applied to the domestic appliance division 10 years ago, and the results there have been spectacular. Today, most products in the division retain large UK market shares, notably home heating and cooking products.

The growth prospects for domestic appliances may be more limited than elsewhere in TI, but its steady contributions to turnover and profit have been crucial to the group during the recession. Last year, it produced two-thirds of the group's trading profits and had a return on assets of more than 25 per cent.

Across the group, meanwhile, the rigorous cash control system introduced in 1979 was also proving a lifesaver.

The total net cost of disposals and closures since 1977 has been £112m, equivalent to a fifth of the total capital employed in 1978. Capital gearing has risen from 27.6 to 50 per cent but it would be much higher if working capital had not been tightened. The amount of working capital needed to produce £1 of sales has been brought down from 29p in 1976 to 21.4p.

This improved housekeeping added £138m to TI's cash flow in the past four years, and even enabled the group to make a few positive moves to advance its strategy. In 1981, for example, it acquired King Fifth Wheel, a U.S. maker of aircraft engine rings, for £26m.

The ring business is a perfect example of the kind of specialised niche in which British engineering companies can excel without fear of attack from less sophisticated foreign competitors. Rings, formed from super alloy bars and flash welded, are critical structural components in aircraft engines and industrial gas turbines.

Considerable know-how is required, especially in making the weld point neither more nor less strong than the rest of the ring.

TI's Reynolds subsidiary, best known for another specialised product—its high performance bicycle frame tubes—has long had a strong position in the ring business. With King Fifth, it was able to expand its U.S. presence, and the two together account for about half the world market.

Sales are depressed at about £40m this year because of the slump in aircraft markets, but the business is nevertheless very profitable.

Another important niche business for TI is the manufacture of industrial gas cylinders. Again, considerable know-how is needed to make them, because of the danger of explosion. TI has long been a leader in Europe and invested £20m in a greenfield plant in Oklahoma in 1977 to establish a U.S. market presence.

It now has a 25 per cent share in the U.S.

The group has also been developing two motor component specialities—seat slides and, as a result of a recent acquisition and joint venture with a Japanese company, suspension struts.

Even the group's tubemaking operations are beginning to look more like specialised niche businesses now that the UK stockholding companies have been sold and most of the seamless pipe side reduced to a minority stake in a joint venture with BSC.

What remains, apart from a successful, stand-alone business in Canada, are the specialised and profitable operations making high alloy tube for bearings and stainless steel tube for chemical plant, and the old, struggling welded and cold drawn seamless operations.

Sir Brian's view is that even if the welded and remaining seamless businesses cannot be sold, they are no longer large enough to cause TI any problems.

TI is still a very long way from its profit peak in 1978, but most of its businesses do appear to have considerable recovery potential. The management now has to show that the past of the last few years has sharpened up its responses and that TI can re-establish its position as one of the leaders in British engineering.

Lombard

More politics for London transport

By Hazel Duffy

THE HOLES in the Government's plans for transport in London are being shot through almost as vigorously by Tory members of the Greater London Council as by the Labour majority.

Under the London Regional Transport (LRT) Bill, which had its second reading last week, London Transport will be taken away from the GLC (which is itself due to be abolished). LT will come under the LRT, the new holding company whose board will be appointed by the Transport Secretary, and it will be directly accountable to the Government.

GLC members, and many non-political bodies, are concerned that Londoners will have no democratic say in their transport as now (however remote). Central government will be levying a rate on the boroughs to provide up to two-thirds of the cost of supporting LT, although it appears that the boroughs will not be allowed representatives on the board of LRT.

Taxation without representation is one of the more civilised cries heard in the confines of County Hall at present.

The Bill fails to answer many questions on the cost of supporting LT. Where will the capital expenditure come from? Who will pay the interest charges, currently running at £45m a year, on capital spending incurred in the past by the GLC on LT's behalf? How much financial support does the Government envisage as acceptable?

The GLC is already subsidising LT from the rates to the tune of about £80m over the level which the Government deems acceptable, and the transport supplementary grant paid to the GLC (which includes capital and current spending on roads as well as public transport) has been cut by about one third for 1984-85. Yet Mr Nicholas Ridley, Transport Secretary, says he wants fares to be increased only by the equivalent of the inflation rate, and to maintain the present Travelcard and zoning system—indeed, he knows it would be politically very unpopular to do otherwise.

More frustrating for Londoners is the fact that the Government has sidestepped the opportunity presented by change to work towards co-ordinating LT and British Rail commuter services, so as to avoid duplication of services, fare changes at different times, and fare levels which are out of step with each other.

When almost every other major European city, and many provincial cities, have managed to co-ordinate their different transport modes for years, why is the Government merely legislating for reserve powers to bring BR's commuter operations within LRT? The provision for "liaison" between the two operators has been rightly criticised as simply paying lip service to the problem.

Mr Ridley firmly believes that competition is good for public transport, and a spur to promoting efficiency in LT and BR. Nobody, not even within LT, could argue against the scope for greater efficiency; but will fleets of minibuses, picking up and setting down passengers willy-nilly, do anything but add to the chaos of central London traffic, which is the greatest barrier to the efficient operation of buses?

Public transport cannot be run in isolation from other aspects of transport—the car is the greatest competitor to any mode of public transport—yet the LRT Bill, and the White Paper which preceded it, are exceptionally vague about who will be responsible for the co-ordination of traffic control and roads policy, when the GLC is abolished.

Transport in London is consistently being compared unfavourably with transport in other European cities—a point which the Government accepts. The solution, says the Government, is to take it out of the political arena. Its proposals, however, suggest that in its haste to hit back at the GLC, the Government is making a political scapegoat of LT every bit as much as Mr Ken Livingstone did with his original cheap fares exercise.

Letters to the Editor

British Airways and route licensing policy

From the Chairman, British Airways

Sir, — In an otherwise excellent appraisal in your columns of the proposed Civil Aviation Authority examination of route licensing policy (December 14), some commentators perpetuate the myth that should British Airways be privatised it would be given an unfair advantage over its competitors. This view arises from two basic misconceptions.

First, if British Airways is privatised, then it would seem more likely—not less—that its policies will be influenced by the harsh realities of the international airline business and by the investment expectations of both institutional and private shareholders. Their stewardship is both rigorous and demanding.

Second, it arises from the view that British Airways has a monopoly. British Airways' share of total international scheduled movements at Heathrow is about 37 per cent and of total international passengers about 41 per cent. Although one could argue that British Airways has a substantial majority of scheduled operations by UK-owned airlines, if we include the important charter market, the total is less than 64 per cent. This can hardly be viewed as a monopolistic situation.

It is the task of British Airways management to continue to improve the profitability of this important state enterprise in the interests of passengers, employees and our shareholder. Our sole shareholder, the Government, has indicated its intention to dispose of its investment early in 1985. It is now a matter for it to decide upon the method and timing of the sale. In the meantime, as professional managers, we must continue to strive to enhance further the performance of the airline of which increasingly the nation can be proud.

Lord King,
Cleveland House,
St James's Square, SW1.

Noise from the motorway

From Mr F. Kirwan.

Sir,—Mr Gifford (December 12) seems sadly unaware that "noise is not a determining factor in the choice of a particular route for a new road." At least not in Scotland. The quotation is part of the response of the Scottish Office to recent objections to the proposed route of the M80 at Stepps.

Those who wish to reduce the environmental impact of new motorways need to do more than merely ensure that the ribbed concrete surface of the Telford M54 is not replicated elsewhere, they need to change the ostrich-like attitude of the official planners epitomised in the above quotation.

Frank Kirwan,
Mount Harriet Drive,
Glasgow, Scotland.

Advertising and the professions

From the Legal Adviser, Institute of Practitioners in Advertising

Sir,—I am not surprised that Mr Best of the British Legal Association (December 10) opposes our advocacy of advertising by individual solicitors. What does surprise me, is his suggestion that our arguments are motivated by the prospect of more work for our members. This could not be further from the truth, since very few solicitors are likely to engage the services of our member advertising agencies. This is particularly so given that the recent relaxation of the Law Society's rules only permit solicitors to advertise once a week in local newspapers through "tombstone" advertisements giving the most basic information about a solicitor and his practice.

Of course, we support Mr Best in his plea for increased corporate advertising for the solicitors' profession as a whole. Such advertising, however, cannot convey the reality of modern practice which is that solicitors are increasingly specialists rather than generalists. As the Royal Commission on Legal Services put it—"The increasing complexity of legislation and case law means that no solicitor can be competent in handling every kind of problem."

Advertising by individual solicitors is needed, therefore, so that the public can be made aware of this important trend and provided with the information necessary to make an informed choice of solicitor.

Philip J. Circus,
44, Belgrave Square, SW1.

The current EEC crisis

From Dr D. Harvey and K. Thomson.

Sir,—It is irritating to see Mr Brittan (December 8) describing the Institute of Fiscal Studies calculation of the consumer and resource costs of the CAP as "novel" and "pioneering" when similar estimates have been made by various agricultural economists since at least Professor Josling in 1971. Our own estimates were published in 1981, complete with a full description of our methodology, and we continue to update and refine these calculations.

More disturbing is the question of whether these calculations are helpful in addressing the current EEC crisis. Britain is faced with a choice between demanding a purely financial settlement in return for a higher VAT limit, and forcing major adjustments in reform of the CAP. The IFS calculations are irrelevant to a satisfactory budgetary settlement, and useful analysis of the reform option requires comparison of current patterns of costs and benefits with those of realistic alternative agricultural policies. The free trade option would mean an income loss per farm of around £13,000 in the UK, against consumer/taxpayer gains of £250 per household. Clearly compensation payments to producers would be required to make such a change acceptable within the Community. The basis of such compensation needs to be spelled out as a new and workable agricultural policy. Unless realistic alternative policies can be devised, a "successful" UK financial settlement will leave the CAP to go on much as before.

Dr D. R. Harvey,
K. J. Thomson,
Department of Agricultural Economics, The University,
Newcastle upon Tyne.

Represented without being taxed

From Mr J. Grint.

Sir,—In your excellent leading article on the ratepayers' burden (December 15) you refer to the weakened accountability of councils for their rating levels. The position in some inner-city councils is even worse than you indicate.

A large majority of the voters are often direct net beneficiaries of the council, simply in terms of the subsidy of their housing costs by the state and by other local ratepayers, even before taking account of possible rate and rent rebates.

Representation without taxation?

John L. M. Grint,
13 Royston Court,
Burbage Road, SE24.

Recognition of arts sponsors

From the General Manager, Public Affairs, Texaco.

Sir,—We read (December 13) with interest Antony Thorncroft's article about arts sponsorship. Of especial significance to us was the comment that ABSA's new director intends to do all he can in terms of persuading the media that it makes good sense to give more recognition to arts sponsors.

In common with many other supporters of the arts we have frequently suffered from reviewers totally ignoring our involvement when sometimes we were actually responsible for creating the event and making the occasion possible. This is in marked contrast to the generous and accepted coverage given to sports sponsors—which perhaps in some respects has even gone slightly over the top.

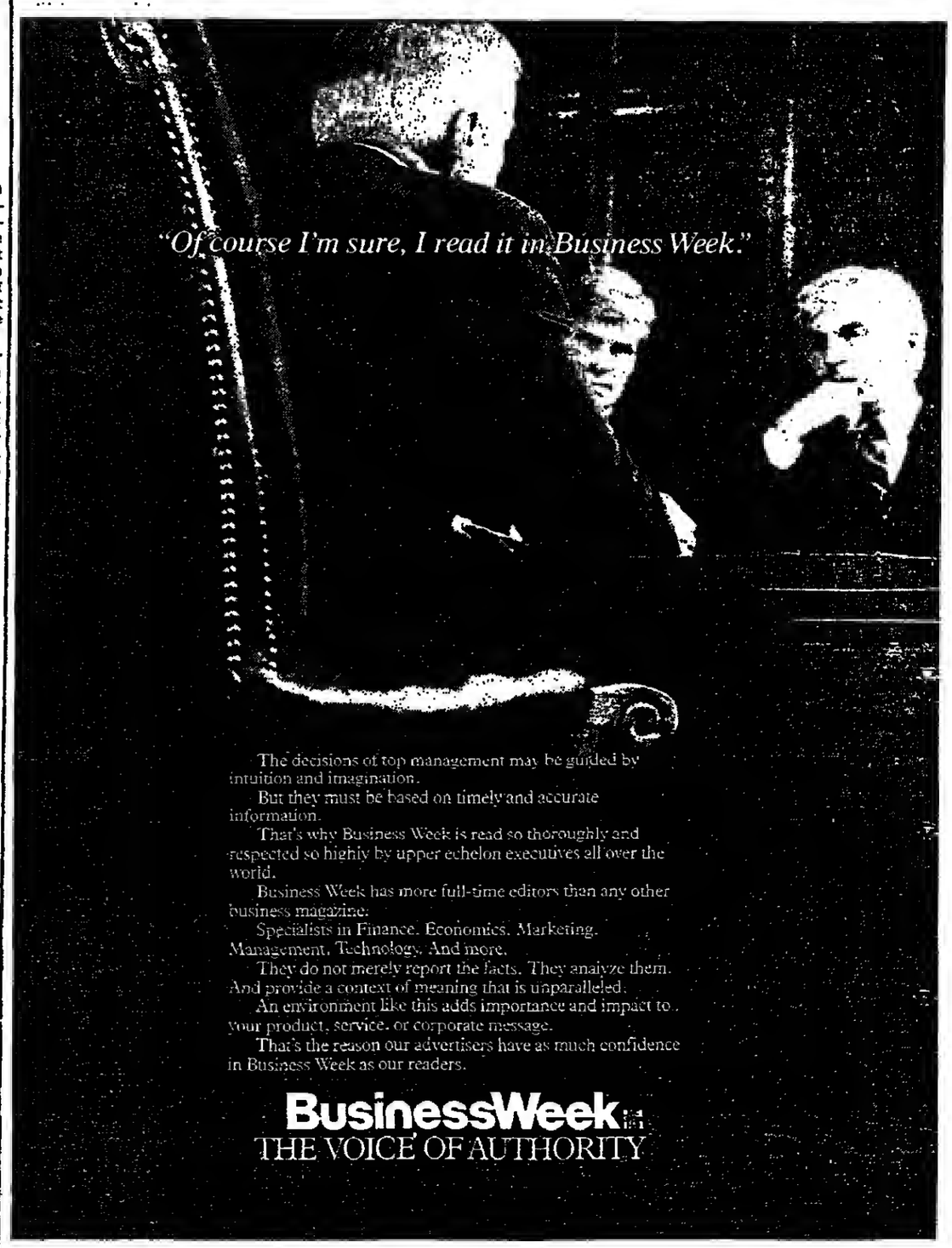
I do not think many arts sponsors wish to be seen buying their way into editorial columns by virtue of their endeavours. We certainly do not subscribe to such a notion. But is it unreasonable to hope for at least some recognition of arts backing at a time when the Government is doing all it can to persuade more of industry to shoulder the need?

I accept that arts reviewers would perceive their prime responsibility to be the reporting just of the arts content itself and I daresay they would argue that those who made the review possible in the first place must merely stand gracefully in the wings catching what crumbs of approval may from time to time just fall their way.

Frankly, I think this is simply unrealistic and if the arts world is to continue benefiting from the wealth creating sector, I do believe the media generally could, with advantage all round, reconsider its current stance towards the reporting of genuinely worthwhile pieces of arts sponsorship. I simply do not accept that any writer or publication is in any sense prostituting his, her, or its integrity by so doing.

And as an assurance, I think it highly unlikely that any responsible arts sponsor today would on its part ever attempt to over commercialise its name or involvement to the detriment of either a particular arts venture, or the audience enjoyment.

A. D. C. Turner.
1 Knightsbridge Green, SW1.



Built in value... right from the day you buy!
CRANE FRUEHAUF
Tofwood, Dereham, Norfolk.

FINANCIAL TIMES

Tuesday December 20 1983

Ultramar
Expanding Worldwide

PARTY CHIEFS ATTACK JOB LOSSES AS TALBOT DISPUTE CONTINUES

French employers under fire

BY DAVID MARSH IN PARIS

TENSION in France over job losses within industry was heightened yesterday. Leaders of the Socialist and Communist parties, which form the governing coalition, stepped up their verbal attacks on company bosses, as the large Peugeot-Talbot car plant at Poissy, near Paris, remained closed by a 10-day labour stoppage.

M Georges Marchais, the Communist Party leader, launched a fierce broadside against the Patronat, the employers' federation, accusing it of "extraordinary aggressiveness" in laying off employees.

The Talbot dispute, which has pitted the Government against France's largest private-sector company during several months of complex negotiations over redundancy plans throughout the Peugeot group, is still simmering in spite of the weekend compromise limiting layoffs at Poissy.

M Marchais's attack came after a 90-minute meeting with M Laurent Fabius, the Industry Minister. The Communist leader had previously accused the minister of taking too favourable a line towards profit oriented business and of promoting rather than hindering job losses in sectors such as steel, metalworking, coal and shipbuilding.

After the meeting, which he described as "positive," M Marchais carefully avoided aiming fresh barbs at the Government, although it was by no means clear whether he and M Fabius had buried the hatchet.

M Marchais at least secured agreement on setting up government study groups to examine the decline in the ball-bearing industry, and the layoff plans of companies in the Paris region.

In another side-swipe at industry bosses, M Lionel Jospin, the first secretary of the Socialist Party, declared that the redundancies at Peugeot's Poissy factory were not the fault of the Government but had been caused by "management errors of a private group."

At Poissy yesterday, shop-floor leaders of the Communist-dominated CGT trade union rallied workers to continue the strike.

They blamed Peugeot for refusing to negotiate better retraining schemes for the 1,900 employees being made redundant. Peugeot said

M Georges Marchais: fierce broadside

the company would remain closed until at least January 2.

The Peugeot controversy has been accompanied by a wave of trade union discontent throughout France over closures and redundancy plans forecast for 1984 across a swathe of traditional manufacturing and mining industries.

In a reference to the Talbot plant layoff figure – reduced over the weekend from the original total of 2,900 after the Government-inspired compromise – M Jospin said that under a Government of the Right, "probably 4,000 workers would be put on the street."

This sharpening of invective by party leaders and trade unionists follows a string of redundancies across the country in recent months. The Socialist-supporting CFDT union estimates that 100,000 more jobs will be lost in the metal industry next year, while the government statistics institute Insee yesterday forecast a fall of 200,000 in industrial employment between June 1983 and June 1984.

Overshadowed by the Peugeot-Talbot issue, a number of other labour conflicts remained on the boil yesterday. Six hundred workers at the Motobecane cycles plant at Saint Quentin in North-east France blocked the Paris to Brussels train to protest at plans for 420 layoffs.

Car workers dig in their heels, Page 2; France may push inflation below 8%, Page 2

EEC set to approve budget despite protests

By John Wyles in Brussels

MR PETER DANKERT, president of the European Parliament, is expected today to adopt the EEC's 1984 budget, including the freezing of rebates for the UK and West Germany, despite protests from EEC foreign ministers that the parliament is exceeding its powers.

In a letter to Mr Dankert, the ministers emphasised their disapproval of two main elements in the Ecu 25.36bn ($20.6bn) budget voted by the parliament in Strasbourg on Thursday. However, under procedures that many governments find increasingly unsatisfactory, they are powerless to prevent the budget's adoption once Mr Dankert signs it today.

The authors of the Treaty of Rome, which set up the EEC, were seeking a system in which many of the powers over the budget's final contents were shared between the parliament and the EEC Council of Ministers. They hoped that once all procedures were exhausted, those two halves of the so-called "budgetary authority" would be in full agreement.

This year, however, as in three of the last four years, the council and the parliament have been in dispute and the parliament has exploited its power of last word.

Although France, the UK and West Germany felt strongly yesterday about the parliament's wilful disregard of the council's wishes, none was prepared to announce any measures that might disrupt the execution of the 1984 budget by the European Commission.

Member states could, for example withhold some of their payments to Brussels on the grounds that the parliament's final spending total is about $115m more than the council thinks it should be. France, Belgium and West Germany did that for a couple of months in 1981 in protest at the parliament's budget.

Governments could also try to launch a case against the parliament at the European Court. That possibility might be discussed in January.

Ministers had some difficulty in agreeing the text of their letter, which Mr Dankert might feel is no more than a gentle slap on the wrist. While reserving the right to take court action, the letter complained that budgetary procedures had not been completed because:

- The parliament was not entitled to add Ecu 132m to next year's spending plans without council approval, nor could it designate another Ecu 500m for industrial policy spending in future years when the council had not yet adopted any definite spending policies for this area.
- The parliament's placing of Ecu 1.2bn of budget rebates in reserve for the UK and West Germany was an impermissible unilateral reclassification of spending.

Sir Geoffrey Howe, the British Foreign Secretary, said last night that the council believed that the parliament was behaving "unacceptably on basic points of principle."

The freezing of the budget refunds for the UK and West Germany was an attempt to fix blame for the outcome of the Athens summit which was "manifestly wrong because blame cannot be laid at our door."

THE LEX COLUMN

A video game from Philips

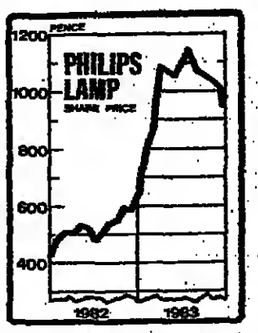
Philips has waited years to announce a deal giving it control of Grundig in West Germany, so presumably the management felt it prudent last Friday to wait just a few weeks longer for the final details to be negotiated. Alas, the cat jumped out on Friday evening, having sat quietly in the bag throughout a meeting hours earlier between senior management and brokers' analysts. Now the deal is official, though few details are yet available.

Any embarrassment on this front, however, pales by comparison with Philips' growing headache over what to do with its V2000 inventories, and a new relationship with Grundig seems bound to be judged first in this narrow context. Grundig has been making the V2000 under licence since 1979 but moved earlier this year, like the Dutch group itself, to capture a share of the far more successful VHS market. One explanation being mooted yesterday for the timing of the current talks is that Philips might be anxious to forestall any developments threatening to take Grundig out of the V2000 altogether, robbing Philips of its marketing ally at a critical juncture.

If so, Philips' strategy has a defensive aspect which might suggest a renewed commitment to the V2000 but which in fact leaves the whole future of that system still open to doubt. Control of Grundig may give Philips access to superior marketing in the short term, offering some reassurance to V2000 software manufacturers; but it could also face the group with a heavier financial exposure to the V2000 in the longer term, which must be looking increasingly unattractive.

Happily, the more positive aspects of the deal look very much less equivocal for Philips. Apart from its marketing skills and quality image – particularly useful, perhaps, in the launch of Philips 8mm video – Grundig will provide Philips with a home electronics base in West Germany to set beside Bauknecht and PKI, its recently acquired white goods and telecommunications subsidiaries in that market.

The latest figures from Philips show it with 22 per cent of its employees and 24 per cent of its assets in the Netherlands against 5.5 per cent of its sales. The key to its present growth, and to its stance as EEC champion against Far Eastern competition, must be to align the location of assets and sales more closely – hence the expansion in Germany.



Financing the deal, however, it ends up, is unlikely to place any undue strain on Philips' balance sheet – particularly if, as seems likely, the group accepts a minority stake with the option to extend it in the future.

Norcros

In making its offer for UBM earlier this year, the Norcros management was motivated partly by the desire to focus attention on the company's neglected and undervalued equity. In this, at least, the abortive bid appears to have succeeded, though perhaps not quite in the way Norcros envisaged. Speculation that Norcros itself might be a target had helped to lift the shares to a year's peak of 157p last week.

Yesterday's statement covering the six months to September showed pre-tax profits rising 11 per cent to £13.9m. Predictable difficulties in Nigeria have roughly halved the international contribution, but elsewhere the machine is running smoothly. The shares, however, slipped back 6p to 143p, equivalent to 7.8 times this year's forecast earnings.

The market is evidently unsettled by the future of the 36 per cent holding in UBM, which is covering its funding costs after tax but will lift net debt to almost 50 per cent of shareholders' funds at the year end. If Norcros felt hamstrung by this investment, it could sell out at little capital loss, but there is no evidence to date that it has lost its appetite for the fight.

Sony

After a year of running repairs in the lay-by, Sony is venturing cautiously down the inner lane, with a sharp recovery in profits in the final quarter to October. A programme of stock reorganisation and reduction, along with production cost cuts, have helped boost net income for the group to Y12.7bn, against Y2.5bn in the comparable quarter of 1982 and Y6.2bn in the preceding three months of 1983.

The current year should see profit of about Y50bn, against Y29.8bn. VCR volume is now rising, while margins here are looking better. The latest generation of Walkman should allow profits to be at least held in this division and the digital audio disc will start to make an impact as significant programme material becomes available. Even the U.S. Olympics conspire in favour of the company's television sales.

The share price has fallen through the year and now lags other electrical stocks significantly. The prospective jump in profits may be reflected in the performance of the share price, but investors remain uncertain whether there will be room for Sony's Beta video format in the light of the VHS ascendancy.

Reed Stenhouse

Reed Stenhouse's incestuous offer for its former parent Stenhouse Holdings has produced a wrangle which should at least win a sackful of nominations for the most contorted takeover battle of 1983. The offer might have been expected to be snapped up by Holdings, since it gave shareholders a way of closing some of the deep discount which had opened up between the value of Holdings and that of its 49 per cent stake in Reed Stenhouse.

Unfortunately the proposed method of achieving this capital uplift – a premium of more than 30 per cent on the Holdings share price before the bid – has not found favour with the Holdings board.

The incentive to the public Canadian holders of Reed Stenhouse to make the bid – a 10 per cent rise in earnings per share to be paid for by reducing the number of shares attributable to Holdings – seemed too generous.

The dispute is really about terms, however, not about the desirability of the deal. And the shareholders outside the Stenhouse family will have to decide whether to join the board in what is really a poker game, bluffing the Canadian bidders into raising their bid after the first expiry date on Thursday. The C$1m they are reputed already to have sunk in the campaign suggests that they may be unwilling to walk away.

Fall in £ 'will not alter UK policy'

By Philip Stephens in London

THE SURGE in the value of the dollar will not deflect the British Government from its view that there should be no firm target for sterling's exchange rate, Mr Nigel Lawson, Chancellor of the Exchequer, said yesterday.

Mr Lawson said Treasury officials would continue to take sterling's value into account when assessing underlying monetary conditions.

But the actual exchange rate against other major currencies would be left to market forces, with the authorities intervening only to smooth out violent fluctuations.

"We do not have a target but we are not indifferent," Mr Lawson told a House of Commons committee in response to persistent questioning from Labour Member of Parliament Mr Austin Mitchell.

"I don't believe there is any halfway house between the sort of policy we have and a fixed exchange rate," Mr Lawson told the committee.

The pound's recent slide against the U.S. currency reflected "the strength of the dollar, not the weakness of sterling," he said, adding that the pound's trade-weighted index had been remarkably stable since January.

The Bank of England has intervened regularly on foreign exchange markets in recent months, but the authorities have insisted that these are smoothing operations, designed only to calm disorderly markets.

Independent economic forecasters, however, have said any dramatic fall in the value of sterling could put the Government's 4.5 per cent inflation target for the end of 1984 completely out of reach.

Mr Lawson, who faced close questioning from the mixed-party committee on the present overrun in Government borrowing, said the £8bn ($11.4bn) forecast for next year's public sector borrowing requirement (PSBR) was only an indicative figure.

The actual level, to be fixed in next year's budget, would be consistent with the Government's aim of reducing the PSBR as a proportion of gross domestic product.

"The presumption is that it will be in the region of £8bn, but it may well not be that figure."

Mr Lawson rejected suggestion that sales of state industries should not be used to show a smaller PSBR. He emphasised that the Treasury was making strong efforts to tackle public spending, but said asset sales sold logically be counted against government outlays.

London police run 24-hour operation against terrorism

BY OUR PARLIAMENTARY STAFF IN LONDON

MR LEON BRITTAN, the UK Home Secretary, yesterday announced a massive anti-terrorist operation in London in the aftermath of the Provisional IRA car bomb on Saturday. The bomb exploded among Christmas shoppers outside Harrods, the Knightsbridge department store, killing five people and injuring 91.

More than 700 extra police have been drafted into the capital and special squads will mount a 24-hour watch to try to prevent any further terrorist attacks. Mr Brittan appealed for public vigilance which he said was essential to back the police effort.

The Home Secretary dismissed an IRA statement which said the car bomb attack had not been authorised. The statement was "utterly contemptible," he said. "Those who place a bomb of this size in a street crowded with Christmas shoppers cannot evade responsibility in that way."

Mr Brittan told the sombre and crowded House of Commons: "Those who perpetrated this crime have learned that their action has in no way weakened the unshakeable resolve of Government and public alike that violence will not secure its objectives."

He added: "Indeed, if anything, an outrage of this kind makes our resolution and determination stronger than ever."

Mr Gerald Kaufman, Labour's Shadow Home Secretary, said Parliament would be reflecting the views of the entire nation by making it clear that there would be "no concessions to the bullet and the bomb."

The most poignant denunciation of the IRA came from Mr John Hume, the Social Democratic and Labour Party MP, who said, "As an Irishman standing in this House I am ashamed."

He believed Irish people everywhere would feel a sense of shame that anyone in the name of Ireland could commit such an atrocity.

Mr Hume said: "If those who planted that bomb are Irish patriots, if those who provided them with the equipment and the plan are Irish patriots, if those who are members of the same movement are Irish patriots, then God save Ireland."

Sir Hugh Fraser, a Conservative MP, who survived an assassination attempt by the IRA, pressed for an assurance that any talks with either the military or political wings of the Provisionals in Northern Ireland would cease.

The Home Secretary replied: "No such talks are taking place and no such talks will take place."

Mr Brittan confirmed that the Cabinet was considering whether to outlaw Sinn Fein, which is widely regarded as the political wing of the IRA. He said he would not wish to take any action which would lead to an escalation of violence. "There are two legitimate views as to the wisdom or otherwise of proscribing Sinn Fein."

In the House of Lords, Lord Fitt, who as Mr Gerry Fitt sat as MP for West Belfast and once led the mainly Catholic Social Democratic and Labour Party, called for a ban on Provisional Sinn Fein.

In Dublin today, the Irish Cabinet will consider whether Sinn Fein should be banned.

U.S. envoy visits Iraq

BY REGINALD DALE IN WASHINGTON

MR DONALD RUMSFELD, the special U.S. Middle East envoy, paid an unexpected visit to Iraq yesterday in a move that the State Department said was intended to gather support for restoring peace to Lebanon.

U.S. officials in Washington emphasised that his visit to Baghdad had nothing to do with Iraq's war with Iran and did not constitute any "tilt" towards Baghdad in the conflict.

Mr Rumsfeld's trip nevertheless came as a surprise, given that no U.S. official of equivalent rank has visited Baghdad for 16 years. Iraq broke off diplomatic relations with the U.S. after the 1967 Arab-Israeli war, accusing Washington of assisting Israel.

Mr Rumsfeld's visit was seen by Middle East analysts as likely to be highly provocative to Iraq's enemy, Syria, with which the U.S. is continuing to clash militarily in Lebanon.

U.S. officials said Mr Rumsfeld was "trying to bring everyone on board" in promoting the process of national reconciliation in Lebanon. They said Iraq still had some influence over Shia Moslem and Palestinian groups in Lebanon, although Iraqi aid to the groups had dwindled since the outbreak of the Iraq-Iran war.

Iraq's views also had some weight with other Arab countries in the overall attempt to bring a wider peace to the Middle East, the State Department said. Because Iraq needed the support of the other Arab countries in its war with Iran, it might also feel the need to pay more attention to the views of moderate Arab statesmen, such as King Hussein of Jordan and the leaders of Saudi Arabia, U.S. officials said.

They emphasised, however, that Iraq's influence was not seen as the determining element in the Lebanese peace process and that Baghdad should not be regarded as the key to a Lebanese solution. Mr Rumsfeld was simply looking for every bit of help where he could find it, they said.

Grundig plan likely to get go-ahead

Continued from Page 1

Although the final shape of the syndicate is apparently far from clear, Dutch banks, led by Amsterdam Rotterdam Bank (Amro), are thought to be involved but are obliged under central bank regulations to keep any industrial holding under 5 per cent of a company's total equity and to limit any such investment to a very low proportion of their own resources.

Union Bank of Switzerland, which is also associated with Grundig, said yesterday that it would take no share stake in the company, either directly or through a bank consortium, but might assist Philips in financing its moves.

Under the plan, Dr Grundig will step back from management but will continue to be available to advise on future product development.

Dr Grundig's family trust will yield part of its controlling influence in Grundig Electro-Mechanische Versuchsanstalt Max Grundig & Co (Grundig EMV), which is virtually a holding company for the group's manufacturing interests.

Instead, a new company formed by Philips and a consortium of European banks will take control of Grundig EMV. Philips intends to continue Grundig's operations as an independent concern.

Grundig made a profit of DM 104m ($38.5m) in the year to last March, after two years of losses. Sales revenue was 6.8 per cent higher at DM 3.06bn.

The company said yesterday that it aimed to increase sales revenue considerably this financial year, possibly to DM 3.5bn.

Setback for Nakasone

Continued from Page 1

sign from the Diet precipitated the chain of events that led to an election that Mr Nakasone would have preferred to have delayed.

- Japanese financial markets reacted with horror as the extent of the LDP's losses became known, though recovery set in later in the day. The Nikkei Dow share index, off nearly 200 points yesterday morning, closed at 9,484.17, down only 81.47 points on the day.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	14	57	Dubrovnik	C	14	57	Malaga	C	17	63	Salzburg	F	8	46
Algiers	S	18	64	Faro	F	17	63	Malta	S	18	64	Seoul	S	3	37
Alicante	C	18	66	Florence	C	15	59	Manila	S	31	88	Singapore	S	26	79
Amsterdam	C	7	45	Frankfurt	C	4	39	Miami	C	27	81	Stockholm	Sn	-1	30
Athens	S	17	63	Funchal	S	20	68	Milan	R	18	59	Strasbourg	C	4	39
Bahrain	S	19	66	Geneva	R	2	36	Moscow	C	-1	30	Sydney	S	25	77
Bangkok	S	33	91	Gibraltar	R	16	61	Munich	C	9	48	Taipei	C	18	64
Barcelona	F	15	59	Guernsey	F	9	48	Nairobi	S	20	68	Tangier	C	18	64
Beirut	F	18	64	Helsinki	C	-4	25	Naples	C	16	61	Tehran	—	—	—
Belgrade	S	7	45	H. Kong	S	19	66	New Delhi	C	24	75	Tel Aviv	F	19	66
Berlin	C	3	37	Innsbruck	R	10	50	New York	C	3	37	Tenerife	F	23	73
Biarritz	F	13	55	Inverness	C	5	41	Nice	S	17	63	Tokyo	S	10	50
Blackpool	C	8	46	Istanbul	F	12	54	Oporto	C	13	55	Toronto	Sn	-2	28
Bordeaux	T	9	48	Jersey	F	9	48	Oslo	Sn	-2	28	Tunis	S	21	70
Brussels	C	8	46	Jo'burg	S	20	68	Paris	R	8	46	Valencia	R	15	59
Budapest	S	12	54	Las Palmas	C	23	73	Prague	Fg	0	32	Venice	C	8	46
B. Aires	C	27	81	Lisbon	S	23	73	Reykjavik	C	3	37	Vienna	C	11	52
Cairo	C	20	68	Locarno	Sn	1	34	Rio de J'o	C	36	97	Warsaw	S	8	46
Cape Town	S	32	90	London	C	13	55	Rome	C	15	59	Zurich	R	3	37
Chicago	C	28	82	L. Angeles	C	19	66								
Casablanca	C	18	64	Luxembourg	C	6	43								
Copenhagen	C	3	37	Madrid	F	9	48								
Corfu	C	18	61	Majorca	F	13	51								
Dublin	R	8	46												

Readings at mid-day yesterday:

C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

Yugoslavs order new Airbus

Continued from Page 1

craft (25 orders and 25 options from Air France; 10 orders and 10 options from Air Inter; seven orders and three options from British Caledonian; and five orders and three options from Inex-Adria).

That is regarded by Airbus Industrie as an adequate customer base on which formally to launch the venture, with or without British Aerospace participation.

M Lathière has said in the past that the venture is "oversubscribed" with potential partners, including Australia, Canada and Japan, as well as the UK aerospace industries in the UK, France, West Germany, Spain, the Netherlands and Belgium.

Mr Lathière said that the Inex-Adria order provided a "launch customer" base for the A-320 greater than that for the earlier A-310

The Inex-Adria order "provided further evidence from the marketplace that the A-320 is the right aircraft at the right time."

British Caledonian, which has also ordered the smaller A-320, has signed an engineering support contract covering all its Airbus types with the French company Sogerma (Société Girondine d'Entretien et de Réparation de Matériel Aéronautique).

- James Buchan in Bonn writes: Messerschmitt-Bölkow-Blohm (MBB), West Germany's leading aerospace and armaments concern, expects sales revenue this year to be up 5.6 per cent to nearly DM 6bn ($2.16bn) after a "generally successful year," according to Dr Hanns Arndt Vogels, chief executive.

Although the group is continuing to cut its workforce, with another 1,400 of the 37,100 jobs to go next year, a series of important recent decisions in the military and space sectors should help to plug the order gap expected with the running down of the Tornado programme and the weak demand for Airbus.

BNP

Banque Nationale de Paris p.l.c.

8-13 King William Street, London EC4P 4HS,
Telephone: 01-626 5678, Telex: 883412 BNP LNB

Knightsbridge: 01-581 0104 Manchester: 061-228 0611
Leeds: 0532-443633 Birmingham: 021-236 9735
Edinburgh: 031-226 6655

BNP Group Head Office:
16 Boulevard des Italiens, 75009 Paris

Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by G.T.S. Disner, Frankfurt/Main, A.V. Hern, R.A.F. McClean, M.C. Gorman, D.E.P. Palmer, London, as members of the Board of Directors. Printer: Frankfurter Societäts-Druckerei GmbH, Frankfurt/Main. Responsible editor: C.E.P. Smith, Frankfurt/Main. © The Financial Times Ltd, 1983.

JATON
FOR
NUTS & BOLTS
Stoke-on-Trent (0782) 262441
Swindon (0793) 41551
Leighton Buzzard (0525) 378509
THE COMPLETE ENGINEERS MERCHANTS

SECTION II – INTERNATIONAL COMPANIES

FINANCIAL TIMES

Tuesday December 20 1983

expanding
NORTHAMPTON
Factories, offices and sites ready when you are
0604 34734
Northampton Development Corporation
2-3 Market Square
Northampton NN1 2EN

VW forecasts return to profits next year

BY JOHN DAVIES IN FRANKFURT

VOLKSWAGEN, the West German motor vehicle manufacturer, expects to reach a turning point in its results next year after two years of heavy losses.

The Wolfsburg-based group expects its worldwide loss this year to be about the same as last year's DM 300m ($108.6m) deficit.

In a preliminary statement, VW said yesterday that results this year were depressed by further losses in Latin America, as well as by the cost of launching the new Golf model in West Germany. Triumph-Adler, its office equipment subsidiary, was also making a loss, although much less than last year.

Those burdens outweighed profits in other areas including Audi sales and U.S. operations.

But VW said it was counting next year on a turnround towards profitability. It expected to begin benefiting from rationalisation at factories in West Germany and abroad, as well as good profits from its new Golf and Audi models.

A few weeks ago, VW reported a hefty DM 247m loss for the first nine months of this year, up DM 100m on the loss suffered at the same stage last year.

But the company has been at pains to indicate that recovery plans are broadly on course.

Dr Carl Hahn, the VW chief executive, said earlier this year that efforts being made to ensure a sound future for VW were unlikely

Dr Carl Hahn

to be reflected in earnings until next year at the earliest.

VW expects group worldwide sales this year to show an 8 per cent rise to about DM 40bn, with the parent company's revenues up nearly 10 per cent to about DM 30bn.

Sales of VW and Audi models this year are expected to reach last year's level of 2.12m.

VW believes it will boost car sales next year as most markets continue to pick up, although the economic difficulties of Latin America remain a worry.

The group has received strong impetus from the recovery of sales in West Germany, with nearly 740,000 VW and Audi models being delivered this year, about 10 per cent more than last year.

VW said sales of the new Golf, which replaced the previous model in September, were exceeding the company's expectations.

The group's total share of the West German car market has slipped from 28.8 per cent to 28 per cent, but the Audi models have lifted their share from 5.9 to 7.2 per cent.

In Mexico, VW's deliveries have fallen by nearly half to 70,000 because of economic cutbacks. In Argentina, sales have risen about 28 per cent to 19,000, but are still far below what VW regards as normal.

Despite setbacks on the Brazilian market, sales from the local operation are expected to exceed last year's 300,000 because of increased exports.

Meanwhile, VW says it is not aware of any plan for Kuwait to increase its 10 per cent stake in VW's Brazilian subsidiary. Nor was there any plan in the foreseeable future for a Kuwaiti to join the board of the Brazilian operation.

Kuwait also has a minority stake in the parent company, although the exact extent has never been disclosed.

Tymshare rejects McDonnell takeover

By Paul Taylor in New York

TYMSHARE, the California-based data transmission group, yesterday pulled out of a $372m cash deal to be acquired by McDonnell Douglas, the U.S. aerospace and defence group.

The surprise announcement came just three days after McDonnell Douglas announced it is to acquire Hughes Helicopter for $470m and only days before the definitive agreement to acquire Tymshare for $31 a share was due to be announced.

Neither company would comment yesterday on the reasons for the dramatic about-face. However, one factor may have been Wall Street's relative hostility to the Tymshare deal.

McDonnell Douglas had announced its plans to acquire Tymshare on November 28. The main attraction of the deal to the aircraft maker appeared to be Tymshare's Tymnet data communications service which allows computers to "talk" to each other using a data network.

Tymnet is the second largest service of its type after GTE's Telenet and would have represented a major addition to McDonnell's McDonnell Douglas Automation (McAuto) computer service operations.

However, Wall Street was sceptical from the start about the deal, pointing out that Tymshare, with revenues of $297m last year, lost $2.2m in the latest quarter and lacked focus and management flair. As a result McDonnell's stock fell $2.88 a share to $55.50 following the announcement.

The aerospace group said that it did not think its planned acquisition of Hughes Helicopter "was a factor in the termination."

Walter Ellis and John Davies profile the men behind the Philips – Grundig link

A two-man electronics show

DR WISSE DEKKER, president of Philips, the Dutch electrical group, shares with Dr Max Grundig an unfailing willingness to work and to transform his company for the better at a time of intense international competition in the electronics field. But they differ in one important respect. Dr Dekker is the first head of his company not to be a member of the Philips family, while Dr Grundig is the founder and currently major shareholder in the German consumer electronics venture.

This means that Dr Dekker, though patient and courteous, and an admirer of Dr Grundig, is cast in the role of predator while the older German feels himself on the defensive with a lot to lose.

Both realise the necessity for Grundig to become part of something larger, but for Philips it is simply good business. Sentiment is not involved.

Dr Dekker is a firm believer in the need for the European electronics industry to work together to hold off the advance of the Japanese giants. He is convinced that only Philips has the dimensions, the technology, the experience and the product range to rival JVC, Matsushita and the rest.

Other groups, such as Grundig, but also including Thomson-Brandt of France, are seen by the Philip's chief largely in terms of specific expertise and assembly capacity.

This required subordination of others has aroused some indignation in Europe. Thomson-Brandt, in particular, does not see itself as a satellite company, and a deal signed with JVC in April on the manufacture under licence of VHS-format video cassette recorders (VCRs) was widely seen as a slap in the face for the Dekker pan-European strategy.

Indeed, Philips' own more recent negotiation of a deal with the Japanese to make VHS machines for sale outside Europe is a measure of how urgeat is the need to compete with both Japan and France in this area, even at the expense of Philips' own technology.

The V2000 video system, designed in Eindhoven and much admired for its high-resolution picture and reliability, had been intended as a world beater. Instead, it has been restricted to Europe, and even there it has to be helped by restrictions on the import of Japanese-built recorders.

It has been clear for several years that Philips has wanted to acquire a larger stake in Grundig, with which it co-operates in production of the V2000 range. Dr Dekker believes that, with the production capacity of Grundig under Philips' control, it will be left to Eindhoven to decide on what machines it makes and where they will be sold.

The Philips boss had at oae time hoped that something fruitful could be worked out with Thomson-Brandt, only to see the French group buy up control of Telefunken, another West German electronics group. At least now he has Grundig – or should have on April 1 – and can begin to take stock of the whole V2000 experiment.

As for Dr Max Grundig, the lead actor in the Grundig-Philips drama, he is staying determinedly off stage as the business thriller heads towards its climax.

The 75-years-old founder of the German group is on holiday abroad at the time when agreement in principle has been disclosed to hand over management of his company to Philips.

Dr Grundig is reticent about how the arrangement with Philips will look and what it amounts to in money terms. His management representatives at Fürth, near Nuremberg, are stressing that full details are still not clear but are likely to be settled "in the next few weeks".

Grundig has cut its workforce from 38,460 in 1979 to 28,900, but it remains under intense pressure in a fiercely price-competitive market.

Facing increasing challenge from Japanese rivals, Grundig slipped into the red in 1980–81 to the tune of DM 187m ($67.5m) and made a further DM35m loss in 1981–82, before staging a comeback with a DM 104m profit in the year to last March.

VCRC provided the fastest growth in sales revenue last financial year, contributing more than a quarter of revenue from the home market.

But both Grundig and Philips had to bow to Japanese prowess, by negotiating a licence to make Japanese-designed VHS VCRS in future, though for foreign markets.

The VHS-system has gained the lion's share of world sales.

Grundig embarked on a change in its marketing system earlier this year, declaring that retail outlets would be regarded as agents, so that prices could be fixed at profitable levels.

The cartel authorities frowned on the scheme, which also turned out to have financial drawbacks for the company itself. As a result Grundig abruptly abandoned the scheme, to the consternation of the retail trade.

To many in the trade, this exercise – with its abrupt change of tack showed the need for a new approach to management at Grundig.

Partek's Swedish deal

BY KEVIN DONE IN STOCKHOLM

PARTEK, the Finnish building materials group, is to pay SKr 54m ($6.6m) for a 40 per cent stake in Hiab-Foco, a Swedish manufacturer of hydraulic cranes and transport equipment and a subsidiary of the Bahco engineering group.

Partek, which already owns 14 per cent of Bahco, has acquired a number of small companies in Sweden in recent years in the engineering and building materials sectors as part of a strategy to internationalise and decrease its dependence on domestic construction.

Bahco has run into serious problems in the last two years and expects to run up a further deficit of around SKr 80m this year following losses of SKr 196m in 1982. The Hiab-Foco subsidiary hopes to break even in 1983 following two years of heavy losses.

Hiab-Foco is a leading manufacturer of hydraulic truck cranes with 35 per cent of the world market. It has annual sales of some SKr 900m and a workforce of 1,400. Bahco group annual turnover is SKr 2.8bn.

Partek has annual sales of SKr 3bn and employs 8,000.

Norwegian foil merger

BY FAY GJESTER IN OSLO

TWO LEADING Norwegian manufacturers of plastic foil and foil products are merging their production operations.

Fjeldhammer Brug, a building materials producer, will hold a 51 per cent stake, with the remaining 49 per cent held by Dyno Industrier, producer of plastics, chemicals and explosives in a new partnership, called Norfoliet. The merger will taka effect from January 1.

The new company, with a total output of 13,000 tonnes of foil per year and estimated annual turnover of NKr 165m ($21m), will be Norway's largest foil supplier. Output will consist – in about equal amounts – of plastic carrier bags and plastic foils for industry and building trades. About a third of its plastic carrier bag production will be exported, mainly to the UK.

Norfolier's main competitor in Norway will be Norsk Hydro, which recently bought a small Norwegian polyethylene foil producer, Polycoat. The acquisition brought Hydro's output capacity for this type of foil to about 11,000 tonnes per year.

No layoffs will follow the establishment of Norfolier.

KLK group buys more plantations

By Wong Sulong in Kuala Lumpur

KUALA LUMPUR-KEPONG, Malaysia's fourth largest plantation group, is buying a large plantation for 189m ringgits ($82m).

The acquisition, in the east Malaysian state of Sabah, will increase its plantation acreage from 99,000 to 130,000 acres.

KLK said it would pay 152.5m ringgits to purchase the entire equity of Sri Kunak plantation (5,256 acres), Kulumpang Development Corporation (18,178 acres) and other 7,551 acres of estate land.

It will also pay 26.5m ringgits for an oil palm mill and a cocoa fermentation factory in 150 acres.

KLK said all the land was located on a contiguous block, about 62 km from Taman on the Tawau Semporna highway.

The plantations and oil palm mill are being sold by companies controlled by Lau Gek Poh.

KLK is controlled by Tank Sri Lee Loy Seng, the rubber tycoon, and the purchase reflects his view that commodity prices are on an upswing and that plantation land will become more expensive.

KLK sold its investment in Development and Commercial Bank late last year and used 37m ringgits to buy Batu Lintang estate.

It also paid 54.3m ringgits to Wardley Investment Services of Hong Kong to raise its stake in Highlands and Lowlands from 7 per cent to 26 per cent, making it the biggest single shareholder.

Highlands and Lowlands is the country's fourth biggest plantation group, with 72,000 acres.

Buitoni talks with Poulain collapse

BY ALAN FRIEDMAN IN ROME

INDUSTRIE Buitoni Perugina (IBP), the leading Italian foods group which is 51 per cent owned by the Buitoni family, yesterday said its four-month long attempt to strike a deal with Poulain, the French confectionery manufacturer, had failed.

The Perugia-based company said last night that, contrary to earlier indications, Poulain would not be taking a stake in IBP. In September the group issued a statement saying it was in talks with Poulain designed to create "an alliance aimed at improving the competitiveness of both partners and increasing their investment capability in Italy and abroad."

IBP, capitalised at L37.4bn ($22.2m), is thought to be in search of investment capital. Poulain had been expected to take a shareholding in IBP and such was the near certainty of the plan that IBP's unions demanded employment guarantees a few weeks ago.

IBP last night declined to explain why its proposed deal with Poulain had fallen through and would say only that it was now "reflecting on its future."

Italian steel group in L9bn share placing

BY OUR ROME STAFF

DANIELI, the leading Italian maker of steel mini-mills which is prospering despite world recession in the steel industry, is going public on Thursday with a L9bn ($5.4m) share offer on the Milan bourse. The offer, which is being led by Euromobiliare, the investment banking group, is underwritten by 15 banks including Banca Commerciale Italiana, Banco di Roma and Credito Italiano.

At present the Danieli family owns 74 per cent of the company while Schloemann-Siemag, the West German group, holds the next biggest stake at 18.5 per cent. After the 4m new shares are placed, at L2,250 each, about 20 per cent of the company will be held by the public, mostly institutional investors.

In the year to June 30, Danieli managed to go against the world steel industry's trend to raise profits by 44 per cent to L10.1bn, on turnover which was up by 18 per cent to L155.7bn. The company, based at Buttrio, in north-east Italy, designs and builds steel mini-mills which are sold to the Soviet Union and the Eastern bloc as well as to a number of countries in Africa and the Far East.

The Danieli strategy is to try to fill a niche in the market for small, flexible and energy-efficient plants to replace the vast steel complexes of the past. Italy and the rest of Western Europe do not figure prominently in the Danieli order book, which last June stood at L180bn.

Profits plunge at major U.S. cable TV group

By our New York Staff

GENERAL INSTRUMENT, the major U.S. cable TV, direct broadcast satellite service (DBS) and microelectronics equipment manufacturer, yesterday reported a continuing sharp plunge in profits. The company fiscal third quarter earnings dropped by 79 per cent.

General Instrument said in the quarter ending November 27 it had net earnings of $5.3m or 17 cents a share compared to $24.9m or 81 cents a share in the same period last year on sales which fell from $234m to $227.7m.

It blamed the sharp decline on lower margins in the cable TV equipment business, start up costs for new processes in the microelectronics division and reduced demand from video game and home computer makers.

The earnings slide continues a trend apparent over the last three quarters, which principally reflects difficulties in two of General Instrument's major markets, cable TV construction and the shake out in the video games and home computer industries.

The latest results mean General Instrument's net earnings for the first three quarters of its fiscal year have fallen by 64 per cent to $38.6m of 92 cents a share from $78.8m or $2.58 a share on revenues of $661m compared to $743.6m.

General Instrument said the order backlog at the end of the quarter was $1.414bn compared to $748.4m a year earlier. The latest total includes over $500m in orders for satellite earth station electronics.

Whittaker sued over lost Saudi contract

By Terry Byland in New York

A HEAVY fall in profits for the year to October 31 was announced yesterday by Whittaker, the Los Angelas health care group whose share price plummetted two weeks ago when it disclosed that Saudi Arabia had terminated a $1.4bn hospital management contract with the company.

Net earnings dropped by 36 per cent to $37.6m or $2.55 a share for the year, although sales held steady at $1.68bn. The final quarter, however brought a 68 per cent upturn in net earnings, which reached $13.4m or 91 cents, with sales at $413.2m against $419.8m.

Whittaker also disclosed that it faces a class action suit from stockholders who bought Whittaker shares between March 1 and December 6, the date on which it disclosed the loss of the Saudi contract.

The suit alleges that Whittaker failed to disclose that the Saudi contract extension included an option for cancellation and that it had been obtained without open bidding, contrary to Saudi government policy.

The suit also claims that the company failed to disclose "ongoing disputes" with the Saudis

Cable group in films deal

By Paul Taylor in New York

SHOWTIME – the Movie Channel, the joint venture cable television service formed recently through the merger of Showtime and the Movie Channel, has agreed to pay Paramount Pictures, around $500m over the next five years for exclusive rights to the studio's films.

The deal, details of which have not been made public, is the largest exclusive contract between cable television and a film studio.

Home Box Office, the Time Inc Subsidiary which is the premium channel market leader with 15m subscribers, has a five year contract worth a similar sum with Coca-Cola's Columbia Pictures subsidiary, as the contract only provides for four exclusive films a year.

The deal between Showtime – the Movie Channel and Paramount, a Gulf and Western subsidiary, follows weeks of negotiations and is seen as one of the major results of the recent merger of Showtime, owned by Viacom International, and the Movie Channel.

Notice to
The Holders of
IBM World Trade
Corporation
14¾% Notes due
June 15, 1984

Notice is hereby given that a copy of the Annual Report of IBM World Trade Corporation, for the year ended December 31, 1982 is available for inspection by the Holders of the Notes at the Corporate Trust office of the Chase Manhattan Bank (National Association) Woolgate House, Coleman Street, London EC2P 2HD, England.

By: IBM World Trade Corporation

Notice to
The Holders of
IBM World Trade
Corporation
14¾% Notes due
July 30, 1985

Notice is hereby given that a copy of the Annual Report of IBM World Trade Corporation, for the year ended December 31, 1982 is available for inspection by the Holders of the Notes at the Corporate Trust office of the Chase Manhattan Bank (National Association) Woolgate House, Coleman Street, London EC2P 2HD, England.

By: IBM World Trade Corporation

Notice to
The Holders of
IBM World Trade
Corporation
12½% Notes due
February 1, 1988

Notice is hereby given that a copy of the Annual Report of IBM World Trade Corporation, for the year ended December 31, 1982 is available for inspection by the Holders of the Notes at the Corporate Trust office of the Chase Manhattan Bank (National Association) Woolgate House, Coleman Street, London EC2P 2HD, England.

By: IBM World Trade Corporation

Notice to
The Holders of
IBM World Trade
Corporation
12½% Notes due
October 1, 1992

Notice is hereby given that a copy of the Annual Report of IBM World Trade Corporation, for the year ended December 31, 1982 is available for inspection by the Holders of the Notes at the Corporate Trust office of the Chase Manhattan Bank (National Association) Woolgate House, Coleman Street, London EC2P 2HD, England.

By: IBM World Trade Corporation

All these Bonds and Warrants having been sold, this announcement appears as a matter of record only.

Royscot International Finance B.V.
(Incorporated with limited liability in the Netherlands)

U.S. $75,000,000

11⅞ per cent. Guaranteed Bonds due 1993
with Warrants to subscribe

U.S. $75,000,000

11½ per cent. Guaranteed Bonds due 1993

both series of Bonds being unconditionally and irrevocably guaranteed as to payment of principal, premium and interest by

The Royal Bank of Scotland Group plc
(Incorporated with limited liability in Great Britain and registered in Scotland)

Samuel Montagu & Co. Limited

The Royal Bank of Scotland plc
First Interstate Limited
Crédit Commercial de France
Credit Suisse First Boston Limited
Deutsche Bank Aktiengesellschaft
Kredietbank International Group
Lehman Brothers Kuhn Loeb International, Inc.
Morgan Grenfell & Co. Limited
Morgan Guaranty Ltd
Morgan Stanley International
Nomura International Limited
Orion Royal Bank Limited
J. Henry Schroder Wagg & Co. Limited
Swiss Bank Corporation International Limited

Williams & Glyn's Bank plc

November, 1983

You, first in Forex.

'You, first' isn't just another piece of banker's blarney. We know that our success means servicing you the way *you* prefer. So we put 'You, first.'

Westpac's Forex team is highly respected, quick and reliable in a fast market. And through our international branch network we deal round the world, round the clock.

Westpac is the first bank in Australia. We're also in nineteen other countries.

As you might expect Westpac is strong in Pacific Basin currencies. But it's a fact that we're strong in Continental currencies, too.

'You, first' is also true for Trade Finance Corporate Lending, and other banking services.

You meet the same experience and flexibility. And the Australian blend of directness and competitiveness.

Call us–first.

London Dealing Room: Tel: 01-283 5321. Telex: 888361.
Reuter Monitor page code: WBCL. Reuter's direct dealing code: WBCL.
Westpac Banking Corporation,
United Kingdom and European Headquarters:
Walbrook House, 23 Walbrook, London EC4N 8LD. Tel: 01-626 4500.
Incorporated in Australia with limited liability.

Westpac
First Bank in Australia

Sydney	Wellington	Hong Kong	Singapore	New York	Chicago	San Francisco
Tel: 2314404	Tel: 724035	Tel: 213236	Tel: 2232147	Tel: 9499838	Tel: 6300350	Tel: 9864238
Telex: 68001	Telex: 30038	Telex: 74935	Telex: 26722	Telex: 425679	Telex: 210119	Telex: 470609

Battle hots up for Brisbane TV

BY MICHAEL THOMPSON-NOEL IN SYDNEY

AS RICH in twists and thick in plot as a high-suds soapie, the fight for Brisbane Television (BTV) has matured into one of Queensland's toughest and most protracted takeover struggles for several years

BTV's Channel 7 is the Sunshine State's highest-rating and most profitable TV station. It is also one of only two Australian network stations not yet locked into a major media conglomerate. Hence the frantic activity of recent weeks, during which the bidding has risen from A$17.30 to yesterday's A$27 per share, valuing BTV at a little over A$50m (US$44.5m). To date, the combatants have been evenly matched in willpower and stamina, though they tip the scales at different weights.

In the red corner is little-known bidding vehicle Capricornia Television, acting on behalf of Television Wollongong Transmissions (TWT), the operator of the regional TV station WIN 4 Wollongong, in the steel town south of Sydney. TWT is controlled by Mr Bruce Gordon, a one-time magician (at Sydney's Tivoli theatre), who lives in New York and is International Vice-President of Paramount Pictures' TV arm.

In the blue corner is John Fairfax, the Sydney-based media group (1982-83 group operating profits of A$15.3m, up 17.3 per cent), which owns most of Australia's best newspapers (including The Age, of Melbourne, and the Sydney Morning Herald), plus 38 magazines (including six in Hong Kong). Fairfax also has the Macquarie group of radio stations and Sydney's Channel 7 TV station.

Prior to the bidding duel with Capricornia—a tussle that has generated 28 separate bids—Fairfax had 19.9 per cent of Brisbane Television, acquired last year from Queensland Press at a time when the BTV share price was a meagre A$14.

Why Fairfax did not move to take full control of BTV last year, when the share price was a fraction of current levels, is an embarrassing—and to date unanswered—question. According to one commentator: "The further this saga goes, the more embarrassing it appears for Fairfax."

Yesterday, Capricornia raised its offer to A$27 per BTV share, and was promptly matched by Fairfax. At last night's count, Fairfax had 41 per cent of BTV, and Capricornia 30 per cent. The key to control now rests with Britain's Associated Newspapers, which has 7 per cent of BTV. Another 7 per cent is split among three other holdings, with the remaining 15 per cent dispersed among small shareholders. (On Friday, in Melbourne, a so-called mystery buyer was said to have bought 18,000 shares at A$26.20.

BTV serves south-east Queensbrigbt bleached sand, south of laod, Australia's fastest-growing region, which apart from Brisbane, encompasses the pulchritudincus detights of the Gold Coast, a 26-mile strip of bright bleached sand, south of Brisbane, that offers surf, sin and year-round sun, and whose property and touristic potential—particularly at Surfer's Paradise, at the heart of the Gold Coast crescent—has generated one of Australia's greatest-ever booms.

Further profitable devclopment is forecast elsewbere in south-east Queensland, particularly on the Sunshine Coast north of Brisbane, for tourism is an important moneyspinner for the eccentric bnt powerful National Party state regime.

The latest bidding for Brisbane Television has jolted the price earnings multiple to almost 23 times last year's earnings of A$2.2m (a record multiple for an Australian TV station), while a report hy Lloyds International, commissioned by BTV to provide shareholders with independent advice, says BTV profits in 1983-1984 are expected to be at the "high end of the range of price earnings multiples of recent media takeovers"—given as 10 to 12 times earnings.

This would point to current-year earnings at BTV approaching A$5m. At the weekend, responding formally to the rival hidders, BTV said that revenue and profit for the first 22 weeks of the current year were well in advance of last year

BTV also made it clear thet it preferred Fairfax to Television Wollongong Transmissions, provided their final hids were at approximately the same level.

BTV's reason was that Fairfax already owned one station in the National Seven Network (ATN 7 in Sydney). For its part, Lloyds International has spoken of the extensive media interests of Fairfax as agoinst tbe relatively limited media interests of TWT, and of Fairfax's experience as a capital city TV operator, against TWT's merely regional exposure in downbeat Wollongong.

Capricornia maintains that "independent ownership of tbe Brisbane station in the Seven network would ensure decisions would be mode to the best advantage of Brisbane viewers, not Sydney viewers." Mr Gordon says Queensland is Australia's most exciting state, and has said he may buy a Gold Coast home if he can spirit the BTV rabbit out of the Fairfax hat.

On the other hand, TWT (of which Mr Gordon's family company owns ebout 55 per cent) says it would not object to Fairfax remaining as a minority BTV shareholder.

Whether Fairfax would bed down with Television Wollongong as a minority BTV shareholder is much less clear. Questions were forwarded to Fairfax yesterday, but the fish weren't biting.

CUB still silent on Elders offers

By Our Sydney Correspondent

CARLTON AND UNITED Breweries CUB) said yesterday it could recommend neither acceptance nor rejection of Elders-Ixl'a A$900m (US$800m) plus takeover hid.

CUB formerly owned 49.4 per cent of Elders-Ixl, the pastoral food, finance and resources group. Last week, following an earlier partial offer for CUB by Mr Ron Brierley's Industrial Egnity, Elders gained control of CUB after launching an aggressive share-buying spree.

Its two formal offers, one in cash and the other in shares and cash, come into effect at the end of the month. Elders now has approximately 57 per cent of CUB's capital.

CUB is Atistralia's biggest brewer with an estimated 50 per cent share of national beer sales.

NZFP in partial bid for Watties

BY DAI HAYWARD IN WELLINGTON

NEW ZEALAND Forest Products — the country'a 2nd largest company — which last month saw 24.9 per cent of its shares acquired in a surprise joint move by the Watties and Goodman groups, yesterday retaliated against its major shareholder hy itself making a bid for 24.9 per cent of Watties.

It offered 450 cents for each Watties ordinary share compared with Friday's closing price of 340 cents, 320 cents for the 12.5 per cent preference shares, compared with 200 cents, and 415 cents for the 16 per cent preference shares, compared with 265 cents.

However, soon efter Forest products announced its offer a mystery buyer came into the market. It topped Forest Product's offer, and Forest Products was forced to increase its bid to 466 cents a share. The last sales of the day were around 470 cents.

The move, which would have cost NZFP more than NZ$90m (US$58m) at its original offer price, is seen as a safeguard to prevent the Watties and Coodman combination from launching a full takeover hid.

It is believed that NZFP also bought Goodman shares which quickly jumped by 40 cents to 402 cents a share.

Watties and Goodman have a 35 per cent stake in one another and Goodman in particular is known to be in an expansionary mood. The joint bid for NZFP cost the companies NZ$160m and some market observers believe they intend to increase further their abare.

Last week Mr William Morris, the chairman of Watties, told shareholders that Forest Products was the leading company in the paper and pulp industry which was seen as an important growth area.

Watties believes the price of Forest Products shares was well below the true worth of the company's assets.

Watties and Goodman are both large food-based conglomerates and the two control most of the major food companies. Godmans has risen quickly over the past decade to become New Zealand's eighth largest company. In 1982 it recorded a record net profit of NZ$12.26m and this year boosted that by 17 per cent to NZ$14.3m

It was not known last night how mucb of its 24.9 per cent target (the maximum a New Zealand company is allowed to acquire without making a formal takeover bid) had beeo gained by Forest Products but further heavy trading is expected today. Watties bas not as yet reacted in public to the move.

This announcement appears as a matter of record only

NEW ISSUE — December 1983

Bangkok Bank Limited
(Incorporated with limited liability in the Kingdom of Thailand)
London Branch,
59 Gresham Street, London, EC2V 7HB
United Kingdom

US $50,000,000
Negotiable Floating Rate U.S. Dollar Certificates of Deposit
due 20th December 1988

Managed by
Tokai International Limited
BA Asia Limited

Chuo Trust Asia Limited
Kyowa Bank Nederland N.V.
LTCB International Limited
Morgan Grenfell & Co. Limited
Orion Royal Pacific Limited

Agent Bank
Tokai International Limited

This announcement is neither an offer to sell nor a solicitation of an offer to buy these securities. The offer is made only by the Prospectus.

NEW ISSUE — December 16, 1983

2,490,400 Units

CIRO INC.

Each Unit Consists of One Share of Common Stock
and One Warrant To Purchase One-Half Share of Common Stock

Price $1.80 per Unit

Copies of the Prospectus are obtainable in any State from dealers as may lawfully offer these securities in such State.

Rooney, Pace Inc. — Kitcat Aitken & Safran Limited

BANCO LATINOAMERICANO DE EXPORTACIONES, S.A.
U.S.$30,000,000
Floating Rate Notes due 1986
In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest for the next Interest Period has been fixed at 10 13/16 per cent per annum. The Coupon Amounts will be US$274.82 for the US$5,000 denomination and US$2,748.18 for the US$50,000 denomination and will be payable on 21st June, 1984, against surrender of Coupon No. 6.
Manufacturers Hanover Limited
Agent Bank

MULTIBANCO COMERMEX, S.A.
U.S.$25,000,000
Floating Rate Notes due 1984
In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest for the next Interest Period has been fixed at 10 11/16 per cent per annum. The Coupon Amounts will be US$54.96 for the US$1,000 denomination and US$2,748.18 for the US$50,000 denomination and will be payable on 21st June, 1984, against surrender of Coupon No. 9.
20th December, 1983
Manufacturers Hanover Limited
Agent Bank

IRELAND
U.S. $50,000,000
Floating Rate Notes due 1990

Pursuant to Condition 4 and Condition 10 of the Terms and Conditions of the Notes we hereby notify that we, as the Purchase Agent of the Notes, purchased Notes in the aggregate face amount of U.S. $4,000,000 during the period beginning on 18th December, 1982 and ending on 19th December, 1983.

Sumitomo Finance International
Purchase Agent

U.S. $100,000,000

The First Canadian Bank
Bank of Montreal

FLOATING RATE DEBENTURES, SERIES 5, DUE 1990

(Subordinated to deposits and other liabilities)

For the six months
20th December, 1983 to 20th June, 1984

In accordance with the provisions of the Debenture, notice is hereby given that the rate of interest has been fixed at 10⅞ per cent and that the interest payable on the relevant interest payment date, 20th June, 1984 against Coupon No. 7 will be U.S.$55.28.

Morgan Guaranty Trust Company
London

U.S. $20,000,000
Floating Rate Subordinated
Bearer Participation Certificates 1990
issued by The Law Debenture Intermediary Corporation Limited evidencing entitlement to payment of principal and interest on an advance made to
Den norske Creditbank (Luxembourg) S.A.
repayment of which is guaranteed on a subordinated basis by
Den norske Creditbank

DnC

In accordance with the provisions of the Certificates, notice is hereby given that for the three month Interest Period from 19th December, 1983 to 19th March, 1984 the Interest Rate will be 10 13/16% per annum and the Coupon Amount per U.S. $1,000 will be U.S. $27.33.

Credit Suisse First Boston Limited
Agent Bank

THE ARTS

The low cost of Art

William Packer writes on art and money—some possible Christmas presents from London Galleries

IT IS NOT realy the critic's part, least of all perhaps sbould he find himself working for the Financial Times, to dilate over mucb on questions of the prices and relative valuations set upon the things of which he treats.

The point is a nice one, and more of emphasis than absolute; for it is not at all that the values of the market place are in some sense sordid or demeaning, to be kept safely beneatb notice. Rather it ia that in attempting to establish, if only to his own satisfaetion, the measure of an artist'e creative success, and the aesthetie and even the social worth of any particular piece of work, the critie knows that behind any of his jndgments lies the tacit suggestion, that this piece might be worth acquiring, that piece rather less so.

In this imperfect world, artists, too, have their livings to earn, and many would always choose to do so directly and honourably through the sale of their work. The critie sees what the artist cares to sbow him in the studio, or the dealer to put on the public wall, or the jury to choose for the mixed exhibition, and be will notice a nrice bere, and his curiosity will impel him to ask of it there; and only on the very rarest occasion will the natural interest grow into a serious critical issue. Often he will see good work overpriced as well as bad, and bad as well as good will seem to him remarkably cbeap, and any of it will sell if someone likes it well enough to buy.

I only wish I could rest upon sucb complacency, hut unfortunately there is a little more to say. One of the most gratifying things I take from wbat I do is tha certain knowledge that so very mucb of the work being done in this country, by artists and craftsmen of all kinds, is extraordinarily good: and yet, if the handful of the most successful command the higbest prices, it is equally true that the work of the majority tends to be underpriced, especially so when compared to prices abroad, and is so very often conspicuously cbeap.

Why, then, do we not see it on every wall in every civilised home? — a good question: the short answer — that we are a civilised and educated society that persists in the heresy that art is an extravagance and a luxury. Thus, not taking it seriously, we have stopped looking and grown undiscriminating, unable to distinguish between the real thing and the reproduction, and not caring: and this at a time when a beautiful drawing may be had for the price of the car's service,— and a painting for a quarter's gas bill.

An unseasonable homily perhaps, for which unseasonableness I apologise, but not for the homily ltself. It was brought on by a number of expected, various and modest pleasures, all of them in a sense seasonable, and a pleasant surprise. The surprise first: the Greater London Council's annual painting competition, sailing now for the sixth time under the banner of "The Spirit of London" was nnened last week at the Royal Festival Hall, where it remains until January 15. At the invitation of Mr Banks and his committee Mr St John Stevas did the honours, and nearly £12,000 was given away in prizes, subscribed by the GLC itself and assorted sponsors, the top prize of £1,500 going to Peter Archer for his "Dora Road Portrait."

That such a paintine should be in the show at all, let alone receive the prize, is in ltself rether reassuring, for theme shows are always more appealing to organisers than to artists, and the thought of what might bave been sent in to show London's Snlrit does giva one pause. The jury was right to bonour it more in tbe breach than the observance, allowing the most tenuous of associations to serve, and its justification is an uncomplicated and generally professional miscellany of some 200 landscape, townscape, portrait and genre paintings, drawings and prints, and nothing mawkish, amateurisb or sentimental. The rule for such things would seem to be that if the prize is worth winning, good artists will try for it, and though they may not succeed, will be quite happy at least to be seen in decent company, and prepared to try again another year: so it goes on, with the quality and the reputation of the enterprise rising together.

But rather more to the immediate point are the prices at which by far the greater part of the work is to be bad — only six items at £1,000 or more, excellent prints for around £50 and charming, modest, admirable painting after painting in the lower bundreds. They are not masterpieces, perhaps, but many really are bargains, real works and infinitely to be preferred to the usual engraving of College or Inn of Court or old map. So do not be put off, either by the redundant title, or by the dreadful physical display, a dense hang on free-standing screens.

The expected seasonal pleasures are, of course, tbe Christmas shows in so many of the galleries, in which cholce items of stock are brought out to demonstrate the scope of the particular establishment, or some considerable effort made to organise what is at once an appropriate event and a tempting treat. Here follows, then, my own somewbat arbitrarily marked Christmas Card.

The Piecadilly Gallery: a mixture of late 19th and early 20th century English and European water-colours and drawings, with a leavening of more recent work including one or two things by the gallery's own artists, Tindle and Morley for example. The list runs from sucb as Alma Tadema and Burne Jones, Khnopff, Klimt and Rops, through Grosz, Paul Nasb, Wadsworth, Burra, Vaughan and Minton, to Balthus and Freud, with a marvellous early John Head, and delightful Spencer of businessmen on Cookham Causeway, on the way. One or two prices are high, admittedly, and unsurprisingly, but for the rest, most falls comfortably within the low thousands, more than half within the bundreds, the lowest of all at £120: which, given the quality, is more than fair (until December 22).

Further up Cork Street, the Mercury Gallery is holding its Small Picture Sbow (until December 23), another pot pourri that embraces earlier 20th century work in general, but puts the emphasis rather more on the gallery's own stable of artists, with its strong Scottish connections: works by Houston, Miehie, Remfry, Blackadder and Rimmington among many others, the prices very mueb in the bundreds, some things ever below £100.

And across the road, the new Odette Gilbert Gallery is worth a look, its policy evidently to sbow a range of middle-of-the-road, even fairly well-established British figurative artists, the work straight-forwerd and unaffected; the artists inelude Mary Fedden, Trevelyan, Rowntree and Cuming, the prices running from £1,100 or so for the larger oil paintings, middle bundreds for smaller works, low bundreds for the smaller water-colours.

So mucb for Cork Street. Across London, in Tottenham Mews, Angela Flowers is sbowing Small is Beautiful, a collection of paintings, drawings and prints by some 40 gallery artists and assorted guests, with as mueb as possible of the work prieed at under £200. The artists include Tom Phillips, Prunella Clough, Frost, Irvin, Stevens, Heath, Hambling, Hugbes and Hodgson — but bere I must declare my interest. I took part in the first Small is Beautiful some nine or ten years ago, and bow could I refuse tbe invitation: it was certainly very nice lo be asked (until Christmas Eve).

And back in Bond Street, Wylma Wayne, too, puts me rather on the spot. Her Christmas Celebration (until December 23) is an invitation show, but though it includes a true professional or two, notably Feliks Topolski, her main point was to ask other friends wbo also paint to show: Nicbolas Ridley, Lord Rawlinson, Sir Oliver Millar, Michael Gough, William Golding, Robert Hardy, Nicholas Fairbairn, Roald Dabl, Desmond Morris, Bevis Hillier, Frederick Raphael, your critic — but I have said enough.

Finally I must pnt a word in for two shows, one of whicb I have yet to see. The London Group, founded before tbe First World War, is one of our principal exhibiting societies, and remains generously but eritically Catholic in its membership. Its annual sbow opened at tbe Morley Gallery at the weekend, and is sure to eontain work of bigh professional quality across tbe broad range of contemporary figuration and abstraction, eminently accessible.

And in Earlham Street in Covent Garden, The Britisb Craft Centre is showing its December Collection, a display of contemporary fine art of all kinds — jewellery, ceramic, glass, furniture, textile — set out expressly to tempt you to put it into a Christmas Box, probably your own: for once bought, such things are very hard to give away, if you see what I mean: prices £2 to £2,000 (until Christmas).

Portrait of Dora Reid by Peter Archer, winner of the GLC competition

Toad of Toad Hall/Westminster

Nigel Andrews

Toad of Toad Hall leaps into the West End for the 24tb successive Christmas, witb the ebildren in the audience yelling out responses as loudly as ever, and a lot more unceremoniously than in my childbood. "Behind you, you silly toad;" shouted one when our hero was threatened by a weasel. And wben Toad cried, "What's that?" as a round, white ball skimmed past his head in the winter woodland scene, another tot piped up, "It's a snowball, yon twit."

Obviously tbey've been brought up on too much television, the medium that can't answer back. David Conville'a 1983 *Toad* is a lively affair, with Graham Chinn resplendent in the title role. He hops, he rasps, he croaks. He gives bearty guffaws, he wears blinding green panti-hose, and be makes his cheeks bubble in and out in toad-like aimilitude. He's also juicily and fatly conceited, a hatrachian Bunter.

Graham Seed is a charming Mole, waddling, kindly and perplexed. (Where are they getting all these Grahams from? Are tbey being bred by the Kenneth Grahame Admiration Society?) And David King thunders and harrumphs with striped face as Badger and does full justice to the best line in the play, when he's woken from hibernation. "But it's only half past December."

The only newcomer among the principals is Frank Vincent, who has been moved from Chief Weasel to Ratty at an unnamed transfer fee. He's energetic and looks good in whiskers but hasn't individualised the character yet. Less heedless rushing about is needed, more bard work with nose, paws and squeaky voice.

The economy-rural aets are still beautifully gaudy, as if some gifted child has run amok with coloured sticky-shapes, and the woodland scene is a little triumph with its stroboscopic snowfall and ecrie wind noises.

Whenever the show breaks into music, courtesy of the three-piece orchestra dressed in anyone-for-tennis togs, it gives a nice bounce to matters. Two scenes go too slowly—Badger's house (second visit) and the dungeon—but mostly this is a Christmas show that poop-poops along in a tashion Toad himself would approve of.

Sinbad the Sailor/Wimbledon

Michael Coveney

Ken Dodd has never appeared in a London pantomime before, and the pleasure of seeing him knocking out rude remarks about South London gentility ("If you get a laugh in Wimbledon you can put your name down for a council house on the Falklands") is slightly tempered by disappointment at the overall tackiness of his vehicle.

"This abandoned bakery"—and the theatre is looking in a sorry state indeed—is nonetheless an ideal venue tor a big ambitious, old - fashioned seasonal show. Unfortunately, *Sinbad the Sailor* is just old-fashioned. The story is not given much of a chance and the pity of this is that *Sinbod*, a tale dripping with opportunities for invention, colour and excitement, has not been seen in London since 1907.

The three plot lines laid down early on involve the quest of Sheherezade for her captured husband, the searcb for buried treasure, and the protection of the Caliph's little nepbew from piratical usurpers. All these adventures are combined on Sinbad's voyage from the port of Bagbdad, on wbich he is accompanied by Ali Baba (Jacquie Toye), little Feef (Christopher Beck as the sole survivor of the forty feefs), the diminutive nephew, and Sinbad's magic sword.

What then happens in John H. Lannoy's listless and messy production are a few familiar set-pieces from the Ken Dodd Show interspersed with rather stale conventional panto scenes. I make an hoonurable exception of the Aeromaniacs, a wonderful tumbling act

No-one embodies the festive spirit more effortlessly than Ken Dodd. He is the Lord of Misrule personified, a charismatic stage performer unhampered by such incidental details as character, a dramatic situation or even script. He is just Doddy, and wbether delivering one of his sumptuous, Joyecan monologues or singing "Sonny Boy" to his Diddyman dummy, he makes an audience tremble with pleasure. As usual he moved me instantly to tears, to laughter, to tears of laughter. There is no-one in who-e company I would rather spend my last moments on earth—if I had to be in a theatre, that is.

Sleeping Beauty/Theatre Royal, Stratford East

Michael Coveney

The Theatre Royal was exactly 99 years old on Sunday so, like Sleeping Beauty, should expect a handsome prince to hack his way through the concrete jungle thicket to deliver a revivifying kiss this time next year. Lord Gowrie would do just fine, for this splendid Victorian theatre, despite its continued success in the community, is threatened by Arts Council cuts and the proposed abolition of the GLC.

After the wearyingly tasteful excrescences of the National's *Cinderella*, it was a relief on Friday night to sit in a house so suitable for pantomime and enjoy this charmingly designed and presented show. The story has been re-told by David Cregan so that Rose's fateful encounter with the cob-webbed spinning wheel is a result of 16 years of cossetting and over-protection.

Children from the stalls join in a game of grandmother's footsteps organised by Nurse Hallowpenny (a beautifully controlled and genteel performance by Gordon Kaye), Rose dispatches her friend Crispin to pick a few daisies, and she runs off to the forbidden turret.

Alastair Muir

Gordon Kaye and Darlene Johnson

Joanne Whalley is no winsome beauty. She plays Rose as a thoroughly ill-tempered only child, later blossoming into high-spirited, sexy fulfilment.

Crispin (Stephen Persaud) comes back after the 100-year interval as his own princely descendent. The three fairy godmothers welcome him from the stage, but the theatre bouncers try to obstruct his descent from a bmx.

The theatre bouncers, spiv and teddy boy (Olivier Pierre and Ian Bartholomew), represent East End mythology. Representing the forces of darkness is Darlene Johnson's wicked fairy godmother in a spangled, demonic punk costume.

The music by Brian Protheroe combines simple rounds (for the sing-song), ebullient 1920s pastiche — the Nurse has a rousing Charleston-style "gul-buster," music hall, blues and metallic rock. There is a slight loss in tension towards the end of Philip Hedley's and Celia Bannerman's production, but that only serves to set the rest in pleasurable relief. The delightful settings are by Gemma Jackson.

Bach Oratorio/Barbican

David Murray

It would be nicer still to bear Bach's Christmas Oratorio—really six separate cantatas—as it was planned, in church services on six different days of the Christmas festivities; but ecclesiastical economics rarely permit that now, and all-in concert performances have to serve the seasonal turn.

One of tbose was wbat we bad at the Barbican Hall on Saturday. End to end, the Oretorio makes a three-bour sit, without benefit of the great dramatie structure that founds Bach's Easter Passions. I can't pretend that the English Baroque Cboir and Orchestra made it seem one minute less than that: good singing and playing, with due reverent warmth, captured the marvellous exuberance and tenderness of the music only in a general sort of way.

It was all solid work, and the best of it better than that. The clean, ringing trumpets were an asset (they made a splendid return in the 6th cantata after their long coffee-break), there was an excellent tympanist, and the finely imaginative first flute was sorely missed in the second half where Bach gave him nothing to do. The continuo players were too widely separated, with some resultant patchy ensemble.

Tba conductor Leon Lovett set a temperate tone. The choral numbers proceeded confidently, not without an occasional suspicion of plod; arias got sensitive accompaniments, but three or four of them were belatedly accelerated—as if singer's and conductor's preferences hadn't been quite sorted out before the performance.

Last year at the Festival Berlioz in Lyons I admired William Kendall's Narrator enormously, in *L'Enfance du Christ*, where his lyrical detachment was ideally suited to the rept, elevated music. As Baeb's Evangelist here, he seemed altogether too detached—lovely phrases, of which there were many, conveyed no glad narrative tidings.

The other soloists were very disparate in manner: keen soprano raptures from Janet Price, quiet intensity from the contralto Margaret Cable (square rhythmic enunciation like Mr Kendall's), fluent, friendly directness from the bass Brian Rayner Cook. I thought that one more thoroughgoing rehearsal—and quicker cues for the recitatives—would have brought it all together.

Cinderella/Orchard, Dartford

Nigel Andrews

The Orchard Theatre in Dartford, Kent, is the perfect place for *Cinderella*, since this spacious showbouse (just over a year old) is to mosl fringe-of-London theatres wbat a coacb is to a pumpkin. Tbere are spectacular window-walls, an elegant tangle of red girders round the ceilings, many a luxuriant plant and, once past the ticket lady, a 900-seat auditorium with push-me-pull-you seating—it can be concertina'd back for conferences or snooker competitions — and adjustable acoustics.

The Orchard also bas a pantomime well worth taking tbe kids to. Dickie Henderson "is" Buttons, much as Sean Connery "is" James Bond. This is his 33rd assumption of the role, and he charms his way through it with ad libs, double takes, songs, impressions (from Norman Wisdom to Max Wall) and the ineffable Hendersoo air of having bad one too many.

Those hungry for scene ebanges get a dozen of them here — from village square to fairy woodland to palace ballroom — and they're waltzed through by a cast including Jack Douglas, Wendy Richard, of *Are You Being Served?*, and Howell Evans and Patricia Kane as two formidable Ugly Sisters called Valderma and Germolina. ("But don't rub it in.")

Miss Richard as Prince Charming's friend Dandini bas a breezy, piping charm; but she must watch those calories if sbe's going to wear principal boy costumes. Carole Brooke looks pretty but under-projects as Cinders. Jane Fyffe's Prince Charming is a real goer in the soprano stakes.

But the stars of the show, as always, were the ehildren out front. Shamelessly bribed by stage-to-air missiles comprising bags of sweets, they yelled "Oh no he isn't" and "behind yous" as if they'd been in the theatre rehearsing all afterooon. It's an eple evening: the first balf lasts longer than the notorious first half of Boris Godunov recently at the Garden. But if you count by enjoyment rather than minutes, it flies by.

'The Outcast' wins Brussels film award

Another film made for channel 4's *Film on Four* series has won an international award, following the channel's recent success in the Standard awards.

The Outcast, written and directed by Robert Wynne Williams, won the premier award for the best film at the Brussels International Fil·a Festival.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

December 16–22

Opera and Ballet

WEST GERMANY

Berlin, Deutsche Oper: Madame Butterfly is sung in Italian and Hänsel und Gretel is e Philippe Sanjust production. Selome has fine interpretations by Ruth Hesse and Ingvar Wixell. Carmen has Stefania Toczyska in the main role. Premiering this week is a new productioo of Orpheus in der Unterwelt, produced by Götz Friedrich with a new cast. (343 81).

Hamburg, Staatsoper: La Boheme features Ilona Tokody as Mimi and Jose Carreras in the part of Rudolfo. Der Liebestrank brings together Guiseppe Taddei, Marianne Hirati and Neil Shicoff. Die Frau ohne Schatten bas Robert Schunk, Helga Dernesch and Gwineth Jones. Hänsel und Gretel rounds off the week. (35 11 51).

Frankfurt, Opera: Premiering this week is a new production of Die Trojaner, by the controversial East German producer Ruth Berghaus. It has Anja Silja and Rachel Gettler in the leading roles. Tosca, sung in Italian, convinces thanks to Mara Zempieri in the title role. The revival of Der Türke in Italien is steered to triumph by Volkmar Olbrich's conducting. Aida bas Rosalind Plowright excelling in the title role. (256 21).

München, Bayerische Staatsoper: Don Carlos has performances of Margaret Price and Agnes Baltsa. Carmen starts Stefania Toczyska in the title role. La Boheme with Elena Cotrubas and Bodo Brinkmann is an Otto Schenk production. Hänsel und Gretel closes the week. (218 51).

Stuttgart, Württembergisches Staatstheater: There has been much acclaim for Karl Orf's rarely-played Die Kluge. Der Troubadour bas Maris de Francesca-Cavazza and Raymond Wolansky in the main parts. (203 21).

LONDON

Royal Opera, Covent Garden: The multi-lingual, stylistically anonymous version of Die Fledermaus proposed by the Royal Opera for several seasons has, at this revival, a properly mezzo-soprano Orlofsky at last – in the person of Doris Soffel – and a strong point of interest in the form of Placido Domingo's conducting debut in British opera. Otherwise tha cast – Te Kanawa, Prey, Heichele, Luxon – is familiar. Last performance of Esclarmonde, second-rate Massenet uncertainly sung (even by Joan Sutherland), garishly set and acted, and weakly conducted. (240 1066).

English National Opera, Coliseum: The new production of Mireille is disappointingly less atmospheric than Gounod's beautiful music requires, but under Serge Baudo, the singing of the principals – Valerie Masterson, Adrian Martin, Ann Howard – and the orchestral playing have at least an authentic stamp. The Madam Butterfly revival has Eiddwen Harrhy in the title role. (836 3161).

Royal Opera House, Covent Garden: Royal Ballet presents a mixed repertory during the week – Cinderella with Sibley and Dowell on Thursday.

Sadler's Wells, Rosebery Avenue: The energetic and brilliant Twyla Tharp company performs three programmes. (278 8916).

ITALY

La Scala, Milan: Turandot conducted by Lorin Maazel with scenery and costumes by Franco Zeffirelli. Placido Domingo and Katia Ricciarelli.

PARIS

Saint François by Messiaen alternates with Don Quixote, ballet in three acts to Ludwig Minkus music, choreography by Rudolf Nureyev after Petipa, productioo by Rudolf Nureyev, Devor and costumes by Nicholas Georgiadis, conducted by Andre Presser/John Lanchbery at the Paris Opera – Palais Garnier (266 5022).

Contemporary Ballet evenings by the Paris Opera Ballet Corps and its choreographic research group at the Opera Comique-Salle Favart (296 06 11).

Nikolais Dance Theatre at the Theatre de La Ville (274 22 77).

NEW YORK

Metropolitan Opera (Opera House): The first seasonal performance of Hansel and Gretel, with Gail Robinsoo as Gretel and Hilda Harris as Hansel conducted by Thomas. Fulton highlights a week that also includes the first of the season's recital series, with Marilyn Horne accompanied by James Levine. Her programme includes songs and arias by Handel, Schumann, Brahms and Bizet. Fidelio continues with soprano Eva Marton as Leonore, Roberta Peters singing the role of Marelline and Jon Vickers as Florestan. Other performances of the week include Tristan and Isolde conducted by James Levine with Hildegard Behrens as Isolde and Manfred Jung as Tristan, with Samaritani's new production of Ernani. Lincoln Ceotsr (580 9830).

New York City Ballet (New York State Theatre) Month-long performances of The Nutcracker continue. Lincoln Center (870 5570).

WASHINGTON

American Ballet Theatre (Opera House): The Baryshnikov Cinderella choreographed with Peter Anastos features lavish costumes and sets by Santo Loquasto in this, its world premiere. Kennedy Center (254 3770).

The Child in Art

Rob van Mesdag

Victor Hugo once claimed – tongue in cheek – that all *Columbus had* done was to discover America, but that be had discovered the child *(Lorsque l'enfant pamit)*.

Whatever the truth of his statement, sociologists agree that from 1800 onwards the position of the child began to change. Until then a child bad been no more than an adult-in-miniature, dragged into the struggle for life by working in a factory or on the land from the age of five or six. But during the 150 years which followed, an environment began to take shape tailored to what it was felt children required: schools, playgrounds, holidays, physical education, etc.

The Brussels exhibition *"The child in art, from 1800 to the present,"* illustrates how this changing role of the child in Belgian society has been recorded by the country's painters.

The result is e collection of one bundred paintings and some sculptures ranging in type from neo-classic to surrealist, and varying in subject from portraits commissioned by well-to-do parents to pictures about life among the poor, some works being lent by the King, others by private collectors and museums.

Belgium's masters of the 19th century are well represented, some described as "Victorians" because of the style of their work. Among these are Joseph Lies (1821–1865), with his picture of a little girl *"Marie Leys"* and Alfred Cluysenaar (1837–1902). *His picture "A Calling"* sbows his young son in a comfortable chair, about to fall asleep. Alois Nunin (1805–1855), Charles de Groux (1825–1870), and Pierre Jacques Dierckx (1855–1947), belong to this category. However, their pictures show children helping a blind man, coping with a drunken father, or at work in an orphanage, awakening society to social evils.

In view of extremes in periods represented, interesting comparisons can be made between pictures with the same subject. There is a family portrait by François-Josepb Navez, painted in 1831, and one that Roger Rabeel painted and put together three-dimensionally in 1981. Both show a family of three and both are of great quality; that is where their similarity stops.

Belgium's bourgeoisie of the past century is represented to scenes showing children receiving bible instructioo – Henri de Braekeleer (1840–1888) – or being taught to knit – Léoo Frederic (1856–1940). In several pictures of children a dog is shown, either because this bappened to be the particular child's favourite animal, or to give some hint as to the child's character. Also it could signify wealth.

"Het Kind on onze Kunst, van 1800 tot heden," Gallerij ASLK, Kreupelen-straat 12, 1000 Brussels, until Februory 5, open seven days a week.

Apr. 22	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.546	3.788	366.3	11.545	3.165	4.265	2254.	1.627	75.45
U.S. Dollar	0.647	1.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1.027	48.82
Deutschemark	0.264	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	19.92
Japanese Yen 1,000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
French Franc 10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Swiss Franc	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dutch Guilder	0..	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	17.70
Italian Lira 1,000	0.44.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	33.47
Canadian Dollar	0.527	1.815	1.997	193..	[illegible]	1.679	2.248	1188.	1	39.78
Belgian Franc 100	1.325	2.048	5.020	486.4	16.04	4.221	5.648	2987.	2.514	100.

Exchange cross rates

every day in the Financial Times

Norcros at £13.9m halfway: set to meet forecast of £32m

TAXABLE PROFITS of Norcros—the industrial conglomerate which failed in a bid to acquire builders merchant UBM Group earlier this year—increased from £12.51m to £13.9m in the first half to September 30 1983. Turnover slipped from £166.44m to £164.74m.

The interim dividend is being lifted from 2.08p to 2.3p net per 25p share, with earnings given as 7.79p (9.51p). For the previous year a total distribution of 6.32p was paid from pre-tax profits of £28.34m and earnings of 15.97p.

The directors are confident of achieving the pre-tax profits of approximately £32m that were forecast during the course of the UBM bid. They remain convinced that the amalgamation of UBM within Norcros would result in a powerful trading force and they watch the rompany with increasing interest. Offer expenses of £1.27m have been charged below the line.

A breakdown of trading profits of £14.91m (£13.92m) by division shows: ceramics £3.7m (£1.95m); construction £3.31m (£2.5m); engineering £1.99m (£1.98m); print and packaging £2.87m (£2.47m); internetional £2.35m (£4.59m); and head office £364,000 (£430,000).

The construction division maintained an excellent performance at home, and benefited from a number of worthwhile export contracts, the directors report. The engineering division did well to hold its profitability in increasingly difficult trading circumstances, they add.

Overseas, apart from Nigeria, the subsidiaries increased their effectivaness in coping with recession and there are some signs of improvement in the economic climates of the countries in which the group trades.

The concentrated capital expenditure programme of the group's overseas tile companies in recent years is virtually complete. Management effort is being directed towards a general improvement in margins and the effective use of the increased capacity now availeble, the directors say.

Crittall-Hope Nigeria suffered a "severe" shortage of raw materials, where import licences were required and not granted. As a result, turnover for the half year was down from £19m to £8m and profits more than halved to £850,000. The directors are hopeful that these problems will not worsen.

Overseas associate companies showed a healthy improvement in profitability. However, Darlington and Simpson continued to operate at an unsatisfactory level of profit.

The tile companies in which the group has an interest all increased profits relative to last year.

Pre-tax profits were struck after interest charges of £2.13m (£2.28m) and included investment income of £743,000 (£405,000) and associates profits of £972,000 (£458,000). Tax took £5.85m (£5.3m).

See Lex

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: Alliance Investment, James Austin Steel, Barleys of Yorkshire, Belgrave (Blackheath), British Land, Capper-Neill, F.M.C., Reel Time Control, Stoddard, Trust Securities.

Finals: Carlton Communications, Cifer, Windsor Securities.

FUTURE DATES

Interims—	
Baldwin (H. J.)	Dec 30
Delmer	Jan 3
Murray Northern Invest. Trust	Jan 9
RTC	Dec 28
Sheafbank Property Trust	Dec 22
Sumrie Clothes	Dec 22
Symonds Engineering	Jan 12
Finals—	
Bakers Household Stores (Leeds)	Jan 11
Greenfriar Investment	Jan 19
Muirhead	Jan 12
Richards	Jan 5
Winterbottom Energy Trust	Jan 3

JFB losses soar by £6m to £10.89m

SPECIALIST engineer Johnson & Firth Brown incurred pre-tax losses of £10.89m for the year to end-September 1983, compared with £4.88m previously, and is passing payment of its preference dividend due on September 30.

The deficit included a £9m share of losses of associate Sheffield Forgemasters, and elthough this loss in no way represented a drain on the group's cash resources JFB's overall losses required a transfer of £12m from reserves.

In a statemeot with the full year figures Mr John Clay, group chairman, points out that JFB's break-even level has been considerably reduced over the last three years and thet a reasoneble upturn in demand would produce an "encouraging improvement in results."

He says there are indications of increases in the order book in many areas, but edds that it is too early to tell whether this is transient or permanent.

Shareholders are told that demand for the group'e eerospace products has remained at a low level, but that there are now indications that orders should improve, particularly in the serond six months of the current year.

It was the group's first year of operation since the formation of Sheffield Forgemasters and the sale of certain of its companies to London and Midland Industrials in the latter part of 1982.

The results show a group trading profit of £1.8m (£0.9m). However, after interest charges —£3.78m, against £5.82m—a loss of £2m (£4.9m) was incurred—it was hoped that, excluding associates, trading profits would bave covered interest charges.

The share of Sheffield Forgemasters' losses was sbomewbat higher than was anticipated at the time of the rompany'a inception and was a consequance of a low level of demand at home and ebroad for its products.

Mr Clay says tbat at present, there are only limited signs of an upturn in the order book. However, rapid progress has been made on all Sheffield Forgemasters' retionalisation and capital expenditure schemes.

The loss for the year had an adverse effect on the group's balance sheet. The £12m transfer from reserves bas resulted in an increase in gearing from 57 per cent to 64 per cent even though net borrowinga at year-end sbowed a decline from £39.4m to £39.7m.

The directors are continuing to take steps to ronserve and generate casb so as to rontain borrowing and interest costs.

Group turnover for 1982-83 totalled £102.2m (£191.5m). Cost of sales amounted to £86.28m (£140.68m) and other net operating expenses were lower at £14.09m (£19.96m).

Tax for the year accounted for £152,000 (£794,000) and extraordinary debits rose from £106,000 to £1.1m—these included the "protracted and costly" dispute at the N. Greening subsidiary.

Loss per 25p share emerged at 10.9p (5.7p)—the group omitted its ordinary dividand last year and also passed its preference dividend due in March this year.

Pre-tax losses at mid-year were up from £3.95m to £5.74m.

● comment

Crippled by Forgemasters' losses JFB'a figures make grizzly reading. The "stubstantial" loss predicted for Forgemeeters' first year is far worse than expected. The associate bas been chopping away at overheads, taking the break-even point down by a quarter, but demand has been falling away even faster. Sales are 30 per cent lowner than had been anticipated. JFB always said it would take three years to get Forgemaster's right and that now looks on the optimistic side. While the loss from Forgemasters is creating a gaping hole in JFB's balance sheet the critical point for the company's bankers, et least in the short term, is whether JFB's wbolly-owned business can generate enongb profit to service its debt. On these figures they are sadly lacking, even with a £1.6m loss from Greening kicked below the line. The justi9cation for that treatment is that the 24-week strike was a direct result of JFB'a rationalisation attempt and retionalisation costs go downstairs. Anyway Greening has sorely tested its customers' loyalty but the bope ia that it will be back to greak even by the end of next month. There are some feint signs of an nptum—and it is the firs time JFB bas been able to say that for a long while—bnt without doubt the position remains finely balanced. At 9½p the market capitalisation is under £7m—a "penny stock" in evary sense of the phrase.

Sheffield Forge deficit worse than expected at £18m

Sheffield Forgemasters, the large steel and forgings and castings venture formed just over e year ago by the British Steel Corporation and Johnson & Firth Brown, suffered a pre-tax loss of £18m on turnover of £92.1m in the 65 weeks to July 2, 1983.

Mr Don Harwick, the JFB director who is chairman of Forgemasters, said in his statement written at the and of October that the loss was worse than expetced when the venture was set up.

Turnover was 32 per cent lower than the estimate made in July, 1982 and 19 per cent below the reivsed forecast made in October, 1982.

Mr Hardwick said activitiy in the caiptal goods industries, sueb as areospace, shipbuilding and energy, had not turned up in the way expetced, and there was still no clear sign of en upturn

Plant closures already exceeded the plan but more opportunities clearly presented themselves for further capacity reduction. These would unboubtedly place further starin on the group's finances. Employment has been cut from 6,225 to 4,600.

The group has used £11m of rationalisation provsions it made a year ago.

Forgemasters' opearting loss was £15.8m and it bad net interest payable of £2.3m.

Minority interests took off £26,000 and there was an extraordinary gain of £469,000 as a result of closing a small foundry as part of tbe Lazard rationalisation scbeme. The attributable loss was £17.6m.

The balance sebeet shows net assets of £67m, down 23 per cent from the pro-forma balance sheet at July 4, 1982. The presentation of the balance sheet makes it impossible to determine capitel gearing, but a Forgemasters official said it was about 40 per cent. The comparative balance sheet showed gearing of less than 5 per cent.

Smurfit forecasts £12m for year

IN A letter to shareholders, Mr M. W. T. Smurfit, chairman of Dublin-based packaging, printing roncern Jefferson Smurfit Group says he anticipates that pre-tax proqts for the current year, to end on January 31, will approach I£12m.

Profits at the midway stage were well down at £2.61m, against £5.57m, and the full-year forecast is compared with £14.24m (£21.38m) for 1982-83.

Mr Smurfit now says he is confident that the worst "Is now behind us and the current levels of actvities in the majority of our plants lead me to believe 1984, our 50th year in business, should be a record year in terms of both earnings and sales."

He points out that the Jefferson Smurfit Corporation, the bolding company for the group's U.S. operations had e successful public offering in the U.S. The offering was sold out and raised $50m from the sale of 2.1m shares at $24 each.

These shares have recently traded on the U.S. stock market at $27, he points out, effectively valuing the Jefferson Smurfit Corporation at $270m (approximately £187m sterling). This is equal to 144p per group share for the group's 80 per cent holding.

Mr Smurfit says that recently the group has concluded the arrangement with MacMillan Bloedel of Canada, for the merging of the two rompanies respective UK corrugated interests.

He says that this joint company is now the second largest producer of corrugated in the UK and "will be a major customer for the group's three UK waste based peper mills which will bring substantial long term benefits."

The chairman points out that quarterly figures will be published in 1984 for Jefferson Smurfit Corporation to conform to U.S. law, but he cautions that these should not be misconstrued with the group'e twice-yearly reporting.

He adds, however, that they will bave a material affect on gronp results as the Corporation accounts for a "very large percentsge of the group's assets.

Cluff Oil

The last date for conversion of Cluff Oil convertible "A" shares is December 31 1984, and not December 31 1983 as reported in Saturday's edition.

Lower second half checks Whessoe growth

SECOND HALF pre-tax profits of engineering company Whessoe fell from £4.39m to £3.99m, but for the full yeer ended September 24 1983 the figure shead at £6.88m, compared with £6.51m.

Turnover expanded from £98.18m to £111.35m for the 12 months and the dividend is increased to 5.5p (5p) net per 25p share with e same-again final payment of 3p.

Operating profits slipped from £5.29m to £5m but the pre-tax 9gure was boosted by higber associate's share, up from £485,000 to £792,000 and net interest receivable, £1.06m (£760,000).

Pro9ts, before tax of £2.78m (£2.39m), were split as to: heavy engineering £4.62m (£3.33m); bigh pressure pipework (Alton) £1.41m (£2.31m): ligbt angineering £850,000 (£868,000).

After minority interests, last time, of £603,000 and extraordinary debits, down from £710,000 to £271,000, attributable profits for the period came through just behind at £3.83m, against £4.01m.

Dividends will absorb £994,000 (£903,000) leaving £2.83m (£3.11m) retained. Earnings per share were 22.7p, compared with 26.1p.

● comment

Whessoe's sbare price fell 8p yesterday to 106p as the market digested pre-tax pro9ts substantially below the £7½m-£8m that had been widely forecast. In fact the shortfall from that figure can be attributed entirely to the provision against possible losses on contracts undertaken by Alton UK. So in a sense Whessoe's profits are exactly in line with expectations. The key question for the future is wbether the company can gain the sort of business to replace the long-term quality of earnings from AGR contracts which are nearing completion. The fact that Whessoe bas cut 500 jobs from its beavy engineering division suggests some unease in that regard. Although the delays to Sizewell B PWR have caused some orders for Whessoe to be postponed, the company would in fact gain from the abandonment of that project long term, since Whessoe's most lucrative work is for the PWR's main rival, the AGR. Whessoe's cash pile is still about £11m, so the sharp rise in interest receivable to more than £1m is a reflection of the company's caution in what it allows through above the line. The company regards about balf of that sum to be evailable for acquisitions but its big regret is that, on an historic multiple full taxed of 5.6, the share price is nowhere near the levels that would make it a viable means of currency.

Halma jumps and heads for record year

Halma, manufacturer of safety systems, environmental control equipment and security and specialised engineering equipment, pushed its midterm pre-tax profits up from £853,000 to £1.37m and is effectively lifting its interim divided from 0.505p to 0.606p net per 10p share.

Following these "excellent" results the chairman predicts that proqts for the full year will be a record for the group.

He tells shareholders that both Wilkinson and Simpson and Apollo Manufacturing have operated very satisfactorily since joining the group and that the outlook for each "looks promising."

Group turnover for the first half, to October 1 1983, improved from £7.79m to £9.75m. Earnings rose from an adjusted 1.57p to 2.28p.

The companies based in the UK continued to produce "outstanding" results with significan progress being achieved in each division.

The only exception to this strong pattern was Argosy Fenton, the subsidiary which manufactured louvres and smoke venting equipmant for the construction industry and which remained in a loss position during the period.

This company was closed in November this year and its closure should have a marginally beneficial impact on the group pre-tax profit in the second half.

Among the overseas companies Post Glover sbowed some signs that it is starting to benefit from the upturn in the U.S. economy.

An American division has been established to cover all the group'e activities in the U.S.

Upturn at Nash Industries as engineering improves

IMPROVED profits from its engineering activities enabled Nash Industries, formerly J. F. Nash Securities, to increase its pre-tax profits from £414,000 to £676,000 in the year to September 30 1983. At the interim stage, profits were up from £179,000 to £256,000.

Interest charges in the year under review were up from £190,000 to £205,000. Turnover was bigber at £14.97m compared with £11.75m, and trading profits were £881,000 against £604,000.

Tax for the year was £210,000 compared with £23,000. There were extreordinary credits of £99,000 (£84,000), leaving attributable profits np from £475,000 to £565,000.

The total dividend is unchanged at 4p net with a same-again final of 2.5p. Dividends absorb £170,000 (same), leaving retained pro9ts of £395,000 (£305,000).

Earnings per 25p share improved from 9.2p lo 10.9p.

An increase in profits was forecast at the half-year stage

May & Hassell sharp progress

A FURTHER sharp recovery was achieved by timber importer May & Hassell over the six months ended September 30, 1983, and the improvement is expected to be more than maintained through the second balf of the year.

With the exception of the Belgian subsidiary and Hallam all group companies are trading profitably.

On a £5.89m rise in turnover, profits at the pre-tax level soared from £126,000 to £1.29m for the opening half and the interim dividend is being stepped up by 0.3p to 1.6p net per 25p share.

Profits were struck after taking account of depreciation of £528,000 (£427,000), interest charges of £1m (£1.19m) and a £97,000 (£109,000) share of associates' losses.

Tax took £48,000 (nil), and there were minority credits, £17,000 (£12,000), to leave an available balance of £1.26m), compared with £138,000.

The group acquired the remaining 50 per cent of Hallam in September this year end. In future its results will be consolidated. For the first half its status as e 50 per cent owned associate was reflected in the profit statement.

Believing that freight rates, and therefore ship prices, are at an all-time low, the directors have re-established a shipping subsidiary, Frampton Shipping Co, wblch owns one vessel—the 1,570-tonne Emanaich.

It is presently engaged in European trade, and will be employed in the timber trade as necessary. The company has established itself in Leeds as a timber merchant, and J. S. Towell, of Boston, Lincs, whose freehold premises are adjacent to the company's, has been purchased.

Court Line creditors get another 2p

Mr Guy Parsons, of Peat, Marwick, Mitchell and Company, joint liquidator of Court Line, announces a sixth dividend of 2p in the £, bringing the total to 20p, compared with the 10p indicated in the statement of affairs.

The dividend will be paid early in the New Year on agreed claims from creditors amounting to approximately £45m.

The principal matters holding np the closing of the liquidation relate to the settlement of disputes with debtors and the final disposal of the two Court Line botels in St Lucia.

Payment of any further dividends to creditors of Court Line will depend on the outcome of these metters.

First half downturn at A. Monk but interim raised

A DECLINE from £1.38m to £1.14m in pre-tax pro9ts is reported by A. Monk & Co. for the half year to August 31 1983. The interim dividend is raised from 1.5p to 2p net, and the directors say this is to reduce disparity with the final. Last year a total of 6p was paid from pre-tax profits of £3.9m.

Turnover of this building and civil engineering contractor was £7m higher at £52m. Tax was up from £344,000 to £398,000. Earnings per 25p share fell from 9.9p to 6.8p. Dividends absorb £216,000 (£162,000).

The company has purchased some development sites in the East Midlands, with a view to increasing its activity in the private housing sector.

It expects this to result in a modest increase in house building activity during 1984-85.

The rompany has also moved cautiously into development work. One small development is near completion and two others are in progress.

Cash resources are more than edequate to allow for further extension. In addition, it has identified other areas of activity in which it expects to see a growth in demand over the next decade, and bas taken steps to ensure it will be in a position to grasp the opportunities which it believes will be presented.

Investments sale lifts Jackson

A sharp rise in the surplus on the sale of listed investments from £636,000 to £1.81m and a fall in trading profits from £2.51m to £1.77m left taxable profits of J. & H. B. Jackson £442,000 abead at £3.58m for the year to September 30 1983.

And with earnings per 5p share of this metal merchant, forger and engineer given as 10.9p, compared with 8.7p, the final dividend is being lifted from 0.9p to 0.95p.

Turnover slipped from £25.42m to £23.29m. After tax of £821,000 (£901,000) and extraordinary debits of £113,000 (£103,000) the attributable profits came to £2.65m (£2.13m).

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Halma ....int	0.61	Feb 13	*0.51	—	*1.31
J. & H. B. Jackson	0.95	April 9	0.9	1.7	1.9/
Marston Thompson int	0.57	Jan 27	*0.51	—	*1.55
May & Hassell ....int	1.9	Feb fi	1.3	—	3.8
A. Monk ....int	¶2	Feb 10	1.5	—	9
Nash Inds	2.5	—	2.5	4	4
Norcros ....int	2.3	Feb 9	2.08	—	6.23
Syltone ....int	3.6	Feb 10	3.6	—	9
Whessoe	3	—	3	5.5	4
Williams Lea	§3.5	—	—	5.25	5.15

Dividends shown pence per sbare net except wbere otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or ecquisition issues. ‡ USM stock. § Unquoted companies. ¶ To reduce disparity.

This announcement appears as a matter of record

FINMECCANICA GROUP

Ansaldo SpA

US$28,161,070

Note Purchase Facility

Supported by

Mediocredito Centrale

(Istituto Centrale per il Credito a Medio Termine)

in relation to a contract

with

Northern California Power Agency

Arranged by

Continental Illinois Capital Markets Group

The Banks

Atlantic International Bank Limited
Banca della Svizzera Italiana (Overseas) Ltd. Nassau
The Chicago-Tokyo Bank
Continental Illinois Limited
Grindlays Bank p.l.c.
Shawmut Bank of Boston, N.A.
The Sumitomo Bank of California

Intermediary

Continental Illinois National Bank and Trust Company of Chicago

(Milan Branch)

The Agent

Continental Illinois Limited

October 1983

COMPANY NEWS IN BRIEF

G. & G. Kynoch

A second half profit of £89,000 virtually erased interim losses at G & G Kynoch, leaving this woollen cloth manufacturer with a reduced full year taxable deficit of £14,000 against £334,000.

The directors are confidant that policies undertaken for recovery and development will produce a further improvement in trading results during the current year, although, they point ont, it is still too soon to consider paying a dividand this time.

Including an increase in stocks of finished goods and work in progress of £219,000 (reduction £164,000), turnover for the 12 months to August 31 1983 rose from £1.39m to £2.22m.

The taxable result was after interest charges of £84,000 (£54,000)—last year there was an extraordinary debit of £110,000. The tax charge was unchanged at £3,000, after which the loss per share is shown as falling from 57.2p to 4p.

Charter Trust

In the year ended November 3, 1983 net taxed revenue of Charter Trust and Agency moved ahead from £1.53m to £1.61m, and the dividend is lifted from the equivalent of 1.85p to 1.98p, with a final of 1.5125p. At November 3 the net asset value stood at 81.5p, against 75.2p on May 31 and 63p a year ago, after prior charges at par.

Total income came to £3.28m (£2.87m). Debenture and loan interest took £592,564 (£431,236) and tax £827,130 (£679,681). Per share earnings are shown at 1.99p (1.89p).

Hanson Trust

In his annual statement, Lord Hanson, chairman of Hanson Trust says that for the future he is confident, not only that U.S. operations will rontinue to prosper, but that the company will also expand further in America.

He confirms that Hanson'a major farkets in both the UK and the U.S. are in an economic upturn. With the strength of the balance sheet and casb resources exceeding £400m, the company is in an excellent competitive position, and the directors say that the standing and fortunes of Hanson will continue to grow.

Farrel Bridge

In the first half of 1983 Farrel Bridge, a subsidiary of Emhart Corporation of the U.S. which designs and makes machines for rubber and plastic processing and metal extrusion, turned round from taxable losses of £57,000 to profits of £366,000.

Turnover advanced from £3.46m to £5.76m. Interest payeble was cut from £27,000 to £12,000 and the tax charge came to £97,000 (credit £73,000).

Parkfield Foundries

Parkfield Foundries, a USM company which ects as a supplier of iron castings, has cut its loss from £85,700 to £67,700 in the half-year anded October 29 1983. An improvement in the order book led to a small pro9t in the second quarter; the improvement has continued into the third and will be further enhanced by the benefits of the Walker acquisition, the directors report.

Proceeds of the August rights issue reduced the borrowing ratio from 76 per cent to 40 per cent, and it has decreased further since then due to improved trading. Present indications are thet there will be a significant reduction in borrowings by the year-end.

After tax credits £35,700 (£46,150) the half year'e net loss is reduced to £32,000 (£39,550). Net redundancy payments of £6,750 (£3,850) are charged as an extraordinary item. Loss per share is 1.07p (1.32p).

Mr G. Cantlay is retiring from the chairmanship at the and of the year, but will remain on the board. Mr R. Felber will become chairman.

Williams Lea

Financial and specialist printer Williams Lea Group raised its pre-tax profits by 27 per cent to £1.41m over the year to October 2, 1983, but the dividend total is being beld at 5.25p net with a same-again final of 3.5p.

Sales of this unquoted company declined from £16.01m to £15.87m. Earnings emerged at 37.93p (36.65p) per share after tax of £555,000, against £279,000.

Heywood Williams

The rights issue by Heywood Williams has been slightly undersubscribed. Of the shares offered, 90 per cent were taken up by shareholders. The balance of 216,825 shares has been sold at a net premium of 20p per share, and the proceeds will be distributed to entitled shareholders.

Doranakande

Pre-tax profits of Doranakande Rubber Estates improved from £37,787 to £48,875 for the nine months ended September 30 1983. Earnings per 10p share were 4.498p, compared with 3.483p, after tax of £14,717 (£11,339).

As known the interim dividend is increased from 1p to 1.5p. As as September 30 net asset valne was 196.6p. This is compared with 127p December 31 last, and 126.9p at September 30 1982.

Winterbottom Energy

Net asset value per Winterbottom Energy Trust 5p share was 86p as at close of business on December 16 last, after deduction of prior charges at par, and 88.1p after deduction of prior charges at market value.

BASE LENDING RATES

A.B.N. Bank	9 %	■ Hambros Bank	9 %
Allied Irish Bank	9 %	Heritable & Gen. Trust	9 %
Amro Bank	9 %	■ Hill Samuel §|	9 %
Henry Ansbacher	9 %	C. Hoare & Co. †	9 %
Arbuthnot Latham	9 %	Hongkong & Shanghai	9 %
Armco Trust Ltd.	9 %	Kingsnorth Trust Ltd.	10 %
Associates Cap. Corp.	9½%	Knowsley & Co. Ltd.	9½%
Banro de Bilbao	9 %	Lloyds Bank	9 %
Bank Hapoalim BM	9 %	Mallinhall Limited	9 %
BCCI	9 %	Edward Manson & Co.	10 %
Bank of Ireland	9 %	Meghraj and Sons Ltd.	9 %
Bank Leumi (UK) plc	9 %	Midland Bank	9 %
Bank of Cyprus	9 %	■ Morgan Grenfell	9 %
Bank of Scotland	9 %	National Bk. of Kuwait	9 %
Banque Belge Ltd.	9 %	National Girobank	9 %
Banque du Rhone	10 %	National Westminster	9 %
Barclays Bank	9 %	Norwich Gen. Tst.	9 %
Beneficial Trust Ltd.	10 %	R. Raphael & Sons	9 %
Bremar Holdings Ltd.	9 %	P. S. Refson & Co.	9 %
Brit. Bank of Mid. East	9 %	Roxburghe Guarantee	9½%
■ Brown Shipley	9 %	Royal Trust Co. Canada	9 %
CL Bank Nederland	9 %	Standard Chartered ‖	9 %
Canada Perm't Trust	10 %	Trade Dev. Bank	9 %
Castle Court Trust Ltd.	9½%	TCB	9 %
Cayzer Ltd.	9 %	Trustee Savings Bank	9 %
Cedar Holdings	9 %	United Bank of Kuwait	9 %
■ Charterhouse Japhet	9 %	United Mizrahi Bank	9 %
Choulartons	10½%	Volkskas Intnl. Ltd.	9 %
Citibank Savings ¶	10½%	Westpac Banking Corp.	9 %
Clydesdale Bank	9 %	Whiteaway Laidlaw	9½%
C. E. Coates	9½%	Williams & Glyn's	9 %
Comm. Bk. of N. East	9 %	Wintrust Secs. Ltd.	9 %
Consolidated Credits	9 %	Yorkshire Bank	9 %
Co-operative Bank *	9 %		
The Cyprus Popular Bk.	9 %		
Dunbar & Co. Ltd.	9 %		
Duncan Lawrie	9 %		
E. T. Trust	9½%		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	10½%		
Robert Fraser	10 %		
Grindlays Bank ‡	9 %		
■ Guinness Mahon	9 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.5%, 1-month 6%. Short-term £8,000/12 months 6.1%.
† 7-day deposits on sums of: under £10,000 5½%, £10,000 up to £50,000 6½%, £50,000 and over 7½%.
‡ Call deposits £1,000 and over 5½%.
‖ 21-day deposits over £1,000 6½%.
§ Demand deposits 5½%.
¶ Mortgage base rate.

Granville & Co. Limited

Licensed Dealer in Securities

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

Over-the-Counter Market

1982-83 High	Low	Company	Price	Change	Gross div. (p)	Yield %	P/E Actual	P/E Fully taxed
142	120	Ass. Brit. Ind. Ord.	122	—	6.4	5.2	7.1	9.3
158	117	Ass. Brit. Ind. CULS	134	—	10.0	7.5	—	—
78	57	Airsprung Group	78	—	6.1	8.0	21.7	21.7
46	21	Armitage & Rhodes	28	—	—	—	—	—
267	98½	Bardon Hill	267	+2	7.2	2.7	10.9	22.2
54	53	Gray Technologies	54	—	2.7	5.0	9.7	10.6
200	200	CCL 11pc Conv. Pref.	200	—	5.0	2.5	4.5	6.4
270	100	Cindice Group	100	—	17.8	17.8	—	—
66	45	Deborah Services	51	—	6.0	11.8	27.3	44.3
180	77	Frank Horsell	180	—	—	—	7.6	12.4
169	75½	Frank Horsell Pr Ord 87	169	—	8.7	5.1	7.1	11.7
83	39	Frederick Parker	39	—	7.1	18.2	2.4	3.9
55	32	George Blair	33	—	—	—	—	—
100	50	Ind. Precision Castings	50	—	7.3	14.6	13.9	17.2
220	100	Isis Conv. Pref.	219	−1	17.1	7.8	—	—
115	47	Jackson Group	114	−1	4.5	8.9	8.0	11.7
237	111	James Burrough	228	—	11.4	5.0	12.5	13.2
297	275	Minihouse Holding NV	297	—	4.0	1.3	22.3	22.3
260	121	Robert Jenkins	121	—	20.0	16.5	14.1	9.4
83	54	Scruttons "A"	60xd	—	5.7	9.5	10.0	7.2
167	76	Torday & Carlisle	78	—	2.9	3.8	—	—
434	385	Trevian Holdings	434	—	—	—	8.9	8.1
28	17	Unilack Holdings	17	—	1.0	5.8	11.1	15.2
90	64	Walter Alexander	88	—	6.8	7.7	7.7	10.2
276	214	W. S. Yeates	244	−1	17.1	7.0	3.7	7.8

هكذا من الأصل

BIDS AND DEALS

Marston Thompson advances midterm

FOR the six months ended September 30 1983 taxable profits of brewer, wine and spirit merchant Marston Thompson & Evershed improved from £3.55m to £3.87m and the interim dividend is effectively raised to 0.565p net, compared with an adjusted 0.513p.

In July the directors, who reported year-end profits up from £6.09m to £6.86m, said that the first few months of the year had been difficult owing to adverse weather conditions, but the company was holding its market share.

They now say that the good summer engendered a substantial growth in lager sales, including that of the company's own lager, although draught beer, Marston's main asset, never fully recovered and they ended the six months slightly down on 1982.

However, an improved performance in managed houses, together with a better contribution from wines and spirits helped result in an increased trading profit—up from £3.3m to £3.64m.

Turnover of this Burton-on-Trent concern rose from £23.43m to £24.56m

Tax charge for the first half amounted to £1.81m (£1.76m) and after extraordinary credits of £105,000, against £111,000, the attributable balance came through at £2.17m, compared with £1.9m.

Extraordinary items consisted of £9,000 discount last time on debenture stock redeemed; profit on the sale of properties £68,000 (£102,000), profit on maturity of investments £37,000 (nil).

Earnings per share were 2.67p at September 30, against an adjusted 2.32p.

Arenson Group

Mr Archy Arenson, chairman of the Arenson Group, told shareholders at the annual meeting: "The various steps taken during the second half of last year to alter the company operating strategy enabling it to return to profitability are proving successful."

Rights will lift Bond's Airship stake

BY DAVID DODWELL

THE Bond Corporation, owned by the flamboyant Australian entrepreneur Mr Alan Bond, is likely to become a substantial shareholder in Airship Industries in the wake of a rights issue to be unveiled later this week.

Mr Bond leapt to fame this summer when his yacht, Australia II, snatched victory from the U.S. in the Americas Cup for the first time in 132 years.

His interest in the struggling Airshop Industries, which was launched on London's Unlisted Securties Market in March this year after a £5.9m right issue, was revealed yesterday when the company announced that it is planning a "major rights issue" which the Bond Corporation had agreed to underwrite.

Exact details of the rights issue will be released later this week. While it is technically possible that current shareholders could take up their rights in full, it is expected that the outcome will be that Mr Bond will be able to acquire a substantial stake in the company. He is entitled to control up to 50 per cent.

Airship Industries' shares were suspended ahead of the announcement yesterday at a price of 93p. This compares with a flotation price in March of 140p.

Long delay in winning an aerial work certificate has aggravated Airship Industires' cash-flow problems in recent months, putting in jeopardy a number of orders. This certificate was finally granted three weeks ago.

In the 14 months to March 31 this year, the company made a pre-tax loss of £3.69m—compared with a £1.69m loss in the preceeding 12 months. It is understood that losses continue, and the company is facing acute cash-flow problems. An announcement giving more background to these problems is expected with the rights issue details.

At present only the Skyship 500, Airship's "proof-of-cencept" craft, has flown, or won orders. The 20-passenger Skyship 600, which has initially expected to undergo its maiden flight in July, is not expected to leave terra firma until early next year.

While Mr Bond is understood to be interested in acquiring a stake in the company, it is also clear that he is keen to place orders in Australia.

Mr Bond's Perth-based group has major energy interests in Australia, as well as owning the Ewan Brewery, and having substantial diamond assets. In the year to June 30 1983, Bond Corporation incurred net profits of A$6.84m (£4.36m) on a turnover of A$309m. This compares with profits of A$4.3m in 1982-83, on a turnover of A$224m.

In recent months, Mr Bond's corporation has announced intentions to spend up to A$300m on a major acquisition in the energy sector, and has unveiled plans to buy a stake in Sulpetro, a Canadian oil and gas group, for A$134m. He has also disposed of his 5 per cent stake in the Argyle diamond project in Australia.

In this context, the sums required to underwrite Airship's rights issue are likely to appear small. Mr Andrew Millar, the company's chairman, yesterday refused to provide any details of the size or terms of the rights issue, but it is likely to be of a similar size to the £5.9m issue mounted in spring.

That issue was only 63 per cent taken up, and the company does not expect to do much better on its second approach to shareholders within 10 months.

A £4m flotation was receotly being negotiated in Canada, but the outcome of this negotiation is uncertain.

Britannic bids for Midland Tst.

BY DAVID DODWELL

BRITANNIC ASSURANCE yesterday announced an agreed shares nr cash offer for Midland Trust valning Midland at about £8.9m.

Britannic, with the Britannic Pension Fund, already controls 36 per cent of Midland's shares. The offer, which would lead to the liquidation of the trust, was described yesterday by Britannic as a "tidying up operation," intended to cut overhead costs and to "get management charges right."

The terms of the share offer are for one Britannic share—taken at 458p—to the value of 109.1 per cent of the net asset value of a Midland Trust ordinary share for each Midland share.

The calculation of the net asset value will be made on the date the offer becomes, or is declared unconditional.

A cash alternative—equivalent to 100 per cent of net asset valua—is to be provided separately by S. G. Warburg. This will apply "to the extent that net asset value does not exceed 199.92p," Warburg said.

News of the deal lifted Midland Trust shares by 65p to a closing price of 200p, while Britannic shares slipped by 10p to 450p.

In addition to the shares already controlled by Britannic and its pension fund, the company said yesterday that it had won irrevokable acceptances of the offer from shareholders accounting for a further 14.9 per cent of Midland's shares. This means Britannic can now account for 50.9 per cent of the shares.

If outside shareholders were all to accept the share offer, then at the agreed Britannic share price, the 64 per cent stake in Midland not yet owned by Britannic would cost an equivalent of £6.2m. It would result in the issue of 1.36m new Britannic shares, an increase of 7.1 per cent in its issued share capital.

By contrast, if shareholders opted for the cash alternative, then Warburg would nominally be liable to pay about £5.7m.

Brammer spends £180,000 on electronic side

Brammer has reached agreement with Mr D. P. Dawson for the purchase of his 20 per cent shareholding in United Electronics.

UE is part of the United Electronic Holdings group which was acquired by Brammer earlier in the year.

The total purchase price of £180,000 is to be satisfied in three instalments by the issue of an appcopriate number of Brammer ordinary shares. The first instalment, £100,000, will be satisfied by the issue of 70,922 Brammer ordinary shares

Mr Dawson will remain managing director of United Electronics.

Sound Diffusion in £0.8m deal for Bateman

Sound Diffusion has conditionally agreed to purchase W. H. Bateman and Son, and Bateman Caterquip (together called Bateman) of Tipton, West Midlands.

The consideration of £830,000 will be satisfied by issue of approximately 573,000 ordinary in Sound Diffusion, representing approximately 0.42 per cent of the present issued share capital. The final number of ordinary to be issued will be determined on completion, which is expected to be on February 14 1984.

The net tangible assets of Bateman at December 31 1982, amounted to approximately £38,320, plus the leasehold of Bateman House at Tipton, with a period of 18 years to run at a current rental of £22,750 per annum.

The consolidated profit before payment of remuneration to the two retiring directors, and tax for 1982, amounted to approximately £228,000.

Sound Diffusion has embarked on a course of diversification by acquisition in order to enlarge their sphere of activities in areas where they can utilise existing expertise in marketing and renting equipment.

* * *

The directors of APV Bell Bryant advise shareholders that circumstances have arisen which may result in an offer being made by APV Holdings for their holding in the company.

In the meantime, directors advise holders not to sell their shares.

* * *

Mr Stephen S. James of Thomson McLintock and Co has been appointed as receiver and manager of Roverhire Ltd and Roverbire Auctions Ltd at the request of the directors.

The receiver is looking for a purchaser of the self-driva hire business with its fleet of 74 cars together with an extensive complex of leasehold offices, workshops, auction hall and car park in Earls Court, London.

Akroyd shareholders approve Mercury stake

SHAREHOLDERS of Akroyd & Smithers, the stockjobber, yesterday approved arrangements which will allow Mercury Securties, the parent company of er cahnnta b —kmerchant bank S. G. Warburg, to take a 29.9 per cent stake in the copmany.

m Ahead nf the meeting of Akroyd shareholders the Department of Trade and Industry announced that, following advice from the Office of Fair Trading, it had decided not to refer the £41m Mercury-Akroyd deal to the Monopolies and Mergers Commission.

At the Akroyd meeting Mr Brian Peppiatt, senior partner of the jobbing company, told shareholders that "there are many changes taking place within the securities industry and the future course of events is uncertain. But judging by what happened in the U.S. when faced with a similar upheaval in 1975 it is most essential to have a strong capital base and the potential of international coverage both of which this deal should provide."

He added that it was against this background that his board had considered the proposals from Mercury. "In the short term it is the intention that the two companies should collaborate in the U.S. and in Eurobonds, both in London and abroad, and detailed discussions are taking place on how these proposals can best be implemented."

He concluded: "The board had sufficient confidence that the total concept was the right course for the company to take and they considered that it was in the best interests of shareholders for Mercury to have 10 per cent of our capital as a first stage."

This first stage "was achieved by an issue of new Akroyd shares in exchange for Mercury convertible stock which we were entitled to do through the permission granted by our shareholders at the last annual general meeting and also by Stock Exchange regulations. The second stage included a further issue of new Akroyd shares in exchange for Mercury convertible stock and for nearly £21m in cash." Shareholders approved the second stage of the transaction at yesterday's meeting.

Kraft Productions talks with potential bidder

Kraft Productions, the loss-making Somerset furniture maker, revealed yesterday that it was at an advanced stage of negotiation with a group of investors who may make a bid for the company.

Mr David Burne, a director of Kraft and a holder of 24 per cent of the company's shares following a refinancing and reorganisation this summer, said yesterday that the approach had come "rather out of the blue." Disclosing only that it had come from a group of "private investors," he said be expected an outcome later this week.

Trading in Kraft's shares was suspended on Friday last week at 200p a share. This gives the company a market capitalisation of £2m.

Kraft made a net loss before tax of £170,000 in the 12 months to December 31 1982 on a turnover of just under £800,000. This compared with a £57,000 loss in 1981, on a turnover of £1m.

Dunlop signs sale contract with Sumitomo

Dunlop Holdings and Sumitomo Rubber Industries have signed the main contract covering the sale of most of Dunlop's European tyre business to the Japanese group.

The deal is essentially as announced last September except that the fall in the value of the pound has led to an increase from £41m to £43m in the interim payment Dunlop is to receive by the year-eod. The total consideration is about £82m and the balance is due in January 1985.

* * *

Berkeley & Hay Hill states that by 3.30 pm on December 19, acceptances had been received by Promotions House in respect of 17,086,303 ordinary shares in Berkeley (58.95 per cent). In the document setting out terms and conditions of the offer, it was announced that irrevocable undertakings had been received by Promotions House to accept the offer in respect of 7,893,989 shares of Berkeley (27.23 per cent), and acceptances have now been received in respect of these shares which are included in the above total.

As acceptances have been received in respect of more than 50 per cent of voting rights attributable to the shares for which the offer is made, the board of Pcomotions House has declared the offer unconditional as to acceptances.

However, it should be noted that the offer is still conditional on passing at an EGM of Promotions House convened for tomorrow, of resolutions to increase authorised share capital of Promotions House; to authorise the allotment of shares; to approve the acquisition of Berkeley, and to increase borrowing powers of the company as well as the Stock Exchange granting permission for Promotions shares to be created, allotted and issued pursuant to the offer to be dealt in the USM market.

Italian group sells 6% stake in Guinness Peat

COFI, the Italian investment group headed by Dr Giorgio Rossi, has sold its 6 per cent stake in Guinness Peat, the investment banking groop.

In October, Dr Rossi resigned from the board of Guinness Peat in protest at the terms of its proposed acquisition of the Moorside Investment Trust. Guinness Peat financed the deal with an issue of new shares priced at 40p, which Dr Rossi considered too low.

The deal was approved by shareholders after management argued that it represented a vital recapitalisation of the troubled Guinness Peat group.

The COFI stake was placed with various City institutions by de Zoete and Bevan, the stockbrokers, for a price understood to be 60p. Guioness Peat closed yesterday at 62p.

The Kissin family, which also objected to the sale, is understood to be seeking to dispose of its 10 per cent stake as well.

U.S. Debenture Corporation

THE U.S. Debenture Corporation is proposing to update and amend its memorandum and articles of association and to amend the dividend ratings on its preference and debenture stocks.

The memorandum and articlea amendments will be effected through adoption of a new objects clause, which will take account of changes lo types of investment, management practice and law which have occurred since the company's incorporation.

The directors do not intend that the adoption of the new clause will have any material effect on the nature of the company's business.

It is proposed that the preseot annual dividend rate of 3.65 per cent on the preference stock be increased to 4.6 per cent, the annual dividend rate on the 4 per cent irredeemable stock be increased to 4.75 per cent with a final repeyment date of August 1 1999, and the rate on the 4.5 per cent irredeemable stock be increased to 5.25 per cent with a final repayment date of August 1 1999.

The directors also pcopose that the 1979-84 stock be repaid at par, together with accrued interest, on January 31 1984, eight months before its final redemption date.

The company's existing articles of association currently limit the amount that it can borrow to 110 per cent of paid up share capital. It is now proposed that a new borrowing limit be adopted to allow the company to borrow an amount equal in aggregate to its paid up share capital and realised reserves equivalent to approximately £54m as at January 31 1983.

MINING NEWS

Uranium output still exceeds demand

URANIUM production has fallen sharply from a peak in 1980-81 but still outstrips demand for nuclear fuel, according to the latest OECD estimates, writes David Fishlock, Science Editor.

With demand this year only about 31,500 tonnes, stockpiles are sufficient to meet four or five years of reactor requirements and are still growing.

Yet uranium production for the world outside the communist areas (WOCA) has fallen from 44,000 tonnes in 1980 and 1981, and 41,000 in 1982, to an estimated 38,000 toanes this year.

According to Mr Derek Taylor, an OECD official with the Nuclear Energy Agency in Paris, writing in the January issue of Nuclear Engineering International, the 10th edition of the OECD "Redbook" on uranium resources, production and demand will reveal a situation of "continuing oversupply of uranium in spite of recent cotbacks in production."

The country most severely affected is the U.S., where many mining facilities are using on average only 60 per cent of capacity.

Since 1980 there have been small falls in production in South Africa and Namibia, but increases are reported from Australia, Brazil and France.

The Redbook surveys information gleaned from about 50 countries, analysed in a joint exercise by the Nuclear Energy Agency and the International Atomic Energy Agency. The new edition of this bi-annual survey should be published next month.

Projections of production capacity for WOCA, based on well-established uranium resources recoverable at costs up to $130 per kilogram, suggest that the production capacity of centres of production already existing or committed will rise to about 50,000 tonnes a year by 1990.

This capacity will then remain constant for five years.

A longer-term projection, to 2025, suggests that if the demand were to appear, existing, committed, planned and prospective production capacity could rise rapidly to about 70,000 tonnes by the early 1990s, and maintain this level until early in the next century.

These estimates do not include many of the U.S. mines currently on standby, because they may not be economically competitive within a few years.

The estimates also allow for only one new Australian production centre, and no expansion of existing facilities.

Demand for WOCA is expected to rise from 31,500 tonnes this year to about 53,000 tonnes in 1990, to nearly 60,000 tonnes in 1995. The latest estimate for the year 2000 is between 70,000 and 80,000 tonnes.

The Uranium Institute, the London-based thinktank of the uranium industry, said yesterday that it would be producing its own analysts of supply and demand early next year. This will be based in industry rather than government estimates, and will be more detailed than the Redbook.

LADBROKE INDEX
753-75fi (+3)
Based on FT Index
Tel: 01-493 5261

Profits rise at Hampton Areas—payout held

BY GEORGE MILLING-STANLEY

SHARPLY HIGHER nickel royalty payments from Australia's Westeco Mining Corporation and a generally steady performance from the other operations helped the Loodon-registered Hampton Gold Mining Areas to improve profits in the six months to September 30.

Attributable pcofits for the first half came out at £1.03m, well ahead of the £605,000 for the opening six months of 1982/83.

The rise in earnings per share from 4.17p to 4.24p was not nearly so impressive, following the rights issue and share placement earlier this year, but the interim dividend is being maintained at 1p on the increased capital.

Last year's final was 2.75p, for a total of 3.75p from attributable profits of £2.32m.

Royalties paid by Western Mining on nickel production from Hampton Areas' land in Western Australia jumped to £528,000 from £227,000 last year, even though the annual adjustment of £59,000 has already been deducted. The total income from this source during the first half was bigger than for the whole of the previous year.

Mr George Livingstone-Learmonth, Hampton Areas' managing director, said yesterday that the rise was largely attributable to the higher nickel price. World nickel prices began to improve at the start of the accounting period.

Investment locome and interest receivable advanced from £504,000 to £654,000, reflecting the higher level of funds on deposit as a result of the £17m rights issue in March.

The bulk of this money is earmarked for Hampton Areas' share of devolpment costs of the Balmoral Field in the North Sea, and will start to be drawn down during the current half. This suggests that income from this source will be lower in future.

The results of the group's own operations were boosted by the fact that the Paringa gold joint venture in Western Australia came on stream earlier than expected, and was profitable in its first month of operation in April.

The UK coal operations performed satisfactorily, with a first-time contribution from the Blinkbonny mine in Scotland. Profits from the Waltex mining machinery group were significantly below those for last year in the face of adverse trading conditions.

Iocome from the Oklahoma oil and gas joint venture was below expectations, while Nesquehoning Coal in Pennsylvania remained in loss.

Hampton Areas close unchanged at 205p in Londoo yesterday.

	Dec 1983 cents	June 1983 cents	Dec 1982 cents	June 1982 cents
Elsburg ...	26	*6.5	6.5	*nil
Randfontein ...	800	*400	800	*300
Westrn Areas	40	*10	10	*nil

* Interim.

Corrected Notice to the December 9, 1983 advertisement.

KAWASAKI STEEL CORPORATION
(Kawasaki Seitetsu Kabushiki Kaisha)
U.S. $100,000,000
5¾% CONVERTIBLE BONDS DUE 1996
(the "Bonds")

NOTICE IS HEREBY GIVEN to Bondholders that, by a Merger Agreement dated October 26, 1983 between Kawasaki Steel Corporation (the "Company") and Kawatetsu Chemical Industry Co., Ltd. (the "Merger Agreement"), it has been agreed that the Company will merge with Kawatetsu Chemical Industry Co., Ltd. ("Kawatetsu"), a Japanese corporation of which the Company currently holds 26 per cent. of the issued share capital. Pursuant to the proposal (to be submitted to the shareholders) of the Board of Directors of the Company held on October 26, 1983, the Company will absorb Kawatetsu which will be dissolved; shareholders of Kawatetsu will receive 10 Yen 50 par value shares of the Company for one Yen 500 par value share of Kawatetsu.

The above merger is subject to the approval of the shareholders of the Company and Kawatetsu. Extraordinary General Meetings of the shareholders of the Company and Kawatetsu will be held on December 22, 1983 and December 21, 1983, respectively, for the purpose of approving the merger. Subject to the approval of the shareholders and the completion of other necessary procedures, the merger will take place on April 1, 1984.

The merger will not result in an adjustment of the Conversion Price.

Subject to the approval of the shareholders, it is scheduled that the Company will make public notices on the Official Gazette in Japan on December 23, 1983 to the effect that the Company's creditors may raise objection, if any, to the proposed merger by February 15, 1984, in accordance with the Commercial Code of Japan.

KAWASAKI STEEL CORPORATION
By: The Bank of Tokyo Trust Company
as Principal Paying Agent

Dated: December 9, 1983

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange. It does not constitute an invitation to the public to subscribe or purchase any securities.

Charterhouse J. Rothschild plc

(Incorporated in England No. 1773177 under the Companies Acts 1948 to 1983)

Share Capital

Authorised		Issued and to be issued fully paid
£142,000,000	Ordinary Shares of 25p each	£94,660,524

Following the merger of The Charterhouse Group plc and RIT and Northern p.l.c. through a new holding company, Charterhouse J. Rothschild plc, the Council of The Stock Exchange has admitted to the Official List the Ordinary Shares and the Warrants to subscribe 20,793,786 Ordinary Shares of Charterhouse J. Rothschild plc. Dealings in these securities commence today.

Particulars of the Company and of the securities are available in the statistical services of Extel Statistical Services Limited and copies may be obtained during normal business hours up to and including 6th January, 1984 from:—

Charterhouse Japhet plc,
1 Paternoster Row,
St. Paul's,
London EC4M 7DH

Morgan Grenfell & Co. Limited,
23 Great Winchester Street,
London EC2P 2AX

S. G. Warburg & Co. Ltd.,
30 Gresham Street,
London EC2P 2EB

Cazenove & Co.,
12 Tokenhouse Yard,
London EC2R 7AN

Grieveson, Grant and Co.,
59 Gresham Street,
London EC2P 2DS

20th December, 1983

May & Hassell PLC
(Timber Importers and Merchants)

Extracts from the Interim Statement to Shareholders by the Chairman, Mr P. J. Atley
Half Year to 30th September 1983

THE PROFIT BEFORE TAX is up from £126,000 to £1.286m.

THE INTERIM DIVIDEND is up from 1.3p to 1.6p.

HALLAM GROUP. On 30th September May and Hassell acquired the remaining 50% of the ordinary shares of Hallam. Its status as a 50% owned associate has been reflected in the half year figures.

GROUP DEVELOPMENT. We have re-established a shipping subsidiary, Frampton Shipping Co., which owns the 1,570 ton Emanaich, established ourselves in Leeds as timber merchants and purchased J.S. Towell in Boston, Lincs, which has freehold premises adjacent to our own.

TRADING CONDITIONS AND OUTLOOK. Over recent years we have tackled our problem and loss making areas. Now, except for Belgium and Hallam, all group companies are trading profitably. The full year should see the half year improvement more than maintained.

FINANCIAL STATISTICS

	Half year to 30.9.83 £'000	30.9.82 £'000	Year to 31.3.83 £'000
Turnover	34,543	28,657	60,642
Profit before Interest & Tax	2,354	1,421	3,064
Interest Paid	(1,001)	(1,186)	(2,271)
Associated Company Loss	(67)	(109)	(65)
Profit Before Tax	1,286	126	728

Copies of the full Interim Report are obtainable from the Secretary, May & Hassell PLC, P.O. Box 156, Bristol BS99 7PH

May & Hassell PLC

Rights Offering December 1983

THE TORONTO-DOMINION BANK

is offering its shareholders of record on December 5, 1983 the right to subscribe for

16,630,000 Common Shares

on the basis of one additional share for each seven Rights received.

Subscription Price: $14.625 per share

These Rights expire at the close of business on January 10, 1984.

We recommend that shareholders exercise their Rights.

Our services are available to assist in subscription for shares or for the purchase or sale of Rights.

We are members of the Sponsoring Dealer Group which will receive compensation in respect of shares subscribed through them. We are also members of an international underwriting syndicate which has agreed to purchase up to 6,837,607 of the Bank's new common shares, which remain unsubscribed at the expiration of this rights offer, for sale outside of Canada and the United States of America.

Burns Fry Limited

COMPANY NEWS APPOINTMENTS TECHNOLOGY

EDITED BY ALAN CANE

Syltone recovers to £0.2m midway

AFTER plunging from pre-tax profits of £1.18m to £53,000 at the year-end, Syltone showed a considerable recovery in the first *half to September 30 1983, and* profits rose from £59,000 to £225,000.

The directors say that although improvement is "relatively small," it does indicate a considerable improvement in trend of the company's profitability.

They are optimistic that the drastic and far-reaching steps taken in the U.S., and continued diversification away from the oilfield business, will produce profitability during 1984.

In the United Kingdom, all subsidiaries are profitable and trading at or near budget with the exception of Rotocold which, while running better than budget, is still suffering considerable losses due to research and development costs.

Franchises have been obtained to enable the company to offer a refrigeration product range which is expected to lead, in due course, to an improvement in trading results of the refrigeration division.

European trading subsidiaries have produced a useful pre-tax profit of £32,000 (£30,000).

Turnover of this engineering and wholesale electrical distribution group rose from £7.61m to £9.63m, and trading profits improved from £195,000 to £437,000. The pre-tax figure was after interest charges up from £138,000 to £202,000 and associates' losses this time of £10,000. Tax took £204,000 compared with £49,000.

The interim dividend is unchanged at 3.6p net, and the directors say the final is expected to remain at last year's level of 5.4p.

After the trading difficulties and changes in the composition of the group over the last few years, the company still has a strong balance sheet. First half figures include results of company's electrical wholesale distribution company, sold in October.

The company, J. Dyson, was sold to R. and W. Hawthorn Leslie and Company for £214,000 cash. A net dividend of £690,000, representing a substantial portion of Dyson's reserves, was paid to Syltone on October 25. Dividend and proceeds of the sale will be used to fund new development of engineering products for Syltone manufacturing companies.

INTERIM STATEMENT

PARKFIELD FOUNDRIES p.l.c.

Recovery well under way

★ On a turnover for the half year to 29th October 1983 of £1,510,670 (1982—£1,721,623) the company made a loss before tax of £67,634 (1982 loss—£85,700). No interim dividend will be paid.

★ Although a loss is reported for the half-year, a small profit was achieved in the second quarter as a result of an improvement in the order book. This improvement has continued with the third quarter and will be further enhanced by the benefits of the acquisitions of Walker Steel Works and Walker Castings which have now been completed. These acquisitions will enable your company to fulfil one of its long-standing ambitions of controlling its own product from the melting furnace to finished fully machined form.

★ The Rights Issue reduced the borrowing ratio from 76% to 40%, since when the ratio has decreased further. Present indications are that there will be a further significant reduction by the year end.

★ Mr G. T. Cantlay, CBE, Chairman, who for some time has been considering relinquishing this position to make way for a younger man, retires as Chairman on 31st December but remains on the Board. Mr. Roger Felber, who joined Parkfield as Deputy Chairman following the Rights Issue in September and since which time has been very active in developing the business of the company and the negotiation of Parkfield's first acquisitions, has been appointed Chairman as from 1st January 1984.

PARKFIELD ROAD, STOCKTON-ON-TEES

New chairman for Marks and Spencer

Marks and Spencer is making the following board changes after the annual meeting on July 5: Lord Sieff of Brimpton is to relinquish the chairmanship, but will become president as well as continuing as a director. Lord Rayner will become chairman in addition to his present responsibilities as chief executive. Mr Michael M. Sacher, vice-chairman, has decided to retire, but will remain as a consultant. Mr F. C. Hirst, director, and Mr V. L. Osborne, alternate director, will be retiring during 1984 as they reach their normal retirement age. Mr J. H. M. Samuel, finance director, is to retire after the annual meeting. Mr J. K. Oates will become finance director at the beginning of April. Mr Oates is vice-president finance of Thyssen-Bornemisza NV in Monaco. Mr J. A. Lusher and Mr D. G. Traagmar have been appointed directors.

★

Mr Ian Taylor has been appointed managing director of the computing services "bureau" operation of DATASOLVE, part of Thorn EMI information technology division. He was manager of the customer service department with ICL. Mr Alan K. Batterbury has been promoted from sales director to director of sales and marketing. He has been with Datasolve since 1976.

★

Mr Alec R. Bennett becomes group marketing director for all marine companies of LANGHAM INDUSTRIES from January 1. He will be responsible for the worldwide sales of Stone Manganese Marine propellors. At present he is marine director of APV Hall International.

★

Mr James Cave is to be appointed a director of THE ENGLISH ASSOCIATION TRUST from January 19. He will be in charge of the investment division and managing director of The English Association Investment Management.

★

Mr Michael Nevill, Mr Ken Mills and Mr Peter Higgins have been appointed assistant general managers of VANBRUGH LIFE. Mr Neville heads the sale division, Mr Mills the sales support division and Mr Higgins the administrative division.

★

Ms Gillian Braithwaite-Exley, currently head of the programme planning secretariat with the Independent Television Companies Association, will join CHANNEL 4 in March in the new post of head of programme planning.

★

HB ELECTRONIC COMPONENTS has appointed Mr Lawrence Gordon Hazzard as non-executive chairman in succession to Mr John Wardle, who is retiring. Mr Hazzard is managing director of the Grosvenor Group and chairman of Henry Wigfall & Sons.

★

Mr Ken Douglas, managing director of AUSTIN AND PICKERSGILL, Sunderland, has decided to take early retirement, and will be succeeded on January 1 by Mr George H. Parker. Mr Parker is divisional managing director of shiprepair at British Shipbuilders, and will continue in this position on a part-time basis until the end of January. Mr P. C. M. Thompson, who is on secondment to British Shipbuilders from the Department of Trade and Industry, will become corporation secretary, also from January 1. He succeeds Mr F. E. Noah, who will become commercial director of Vickers Shipbuilding and Engineering at Barrow-in-Furness.

★

Mr J. G. Alston has been appointed chairman of BROOKS AND DOOLEY (UNDERWRITING) during the period of administrative suspension of Mr T. Brooks from Lloyd's of London. Mr Alston will remain a director of Leslie and Godwin (Holdings) and Leslie and Godwin (Underwriting).

★

GRAND METROPOLITAN has appointed Mr John Harvey-Jones, as a non-executive director. He is chairman of Imperial Chemical Industries.

★

Mr Michael Ginn is stepping down as managing director of BRITISH AIRWAYS HELICOPTERS by mutual agreement. He will remain a consultant.

★

Mr John G. Adams has joined the board of NEIGHBOURHOOD STORES. He is also chairman of Southend Estates Group and deputy chairman of Higgs and Hill, as well as director of Ransome Syms and Jeffreys and director of Associated Paper Industries.

★

Mr J. Nigel Naish has been appointed a trustee of the JOSEPH ROWNTREE MEMORIAL TRUST. He takes the place of Lord Seebohm, who has retired. Mr Naish is a partner in Robinson and Morton, York.

★

Mr J. C. Marvin has been appointed to the board of HICKSON INTERNATIONAL from January 1.

★

Mr Robin Adam has been appointed managing director of SCOTTISH WOODLAND OWNERS ASSOCIATION (COMMERCIAL) — one of Scotland's leading private forestry management companies. He succeeds Mr Dennis Crawford.

★

Mr Ian Howe, deputy chairman and chief executive of KWIK SAVE DISCOUNT GROUP, has been appointed chairman. He will succeed Mr Ian Hill after the annual meeting on January 6. Mr Hill will continue as a non-executive director in the capacity of deputy chairman.

★

Mr Desmond Quigley has joined the board of STREETS FINANCIAL. Mr Jonathan Baker and Mr Toby Mountford have been appointed associate directors.

HOW THE BIOTECHNOLIGISTS WOOED AND WON THE DONS

Celltech leaves safe anchorage

By DAVID FISHLOCK

CAN A manufacturing company hope to harness science of Nobel-prizewinning calibre successfully to its business plan? One UK company believes that it has. It has just agreed a new five-year pact with British academics to continue what promises to be a highly profitable partnership.

Celltech, a biotechnology company set up only three years ago, believes it has demonstrated a unique mechanism for efficient technology transfer from academe to industry. Its claim is supported by Sir James Gowans, the Oxford medical scientist, who manages the £100m-a-year Medical Research Council, supporting university research in medical sciences.

Celltech has explored the possibilities of at least 10 research centres of the MRC, and is currently developing ideas from six. But Sir James stresses that the partnership is not one-sided. From the start his scientists have shared the initiative in seeking ideas worth exploiting.

For Sir James, a pointer to the success is the reaction of other, bigger British companies, which had shown scant interest in his research programme until he gave Celltech exclusive rights to its research in genetic engineering. They complained vociferously. But some companies stayed around to inquire what else might be worth exploiting.

The exclusivity enjoyed by Celltech for its first three years both protected the embryonic venture and provided a spur to perform quickly, as the agreement was to be renegotiated this year. Celltech has found it is operating in a highly competitive market, with around 200 other biotechnology start-ups, as well as big business.

But the MRC also wants to see its discoveries used, and used quickly. The suspicion still lingers in the Thatcher Government that its scientists were so indifferent to exploitation that they gave a money-spinning British invention in genetic engineering away to the U.S. That suspicion is worrying in times of tightening budgets.

The invention was the Cambridge discovery in 1975 of monoclonal antibodies and how to make them. "No one has made any money yet," Sir James has tried to reassure the government. The first medical products based on this discovery are just beginning to reach the market, and the Celltech-MRC partnership has ensured that Britain has its share. Royalties have begun to trickle back to the MRC.

Gerard Fairtlough (left), and Sir James Gowans.

"The working bond is so strong . . . that the exclusivity which was designed to protect Celltech in its early years is no longer needed": John Jackson, Celltech chairman.

The invention was made in the Laboratory of Molecular Biology in Cambridge, third-largest of the MRC's institutes, spending about £4.5m a year, predominantly in genetic engineering. Celltech's scientists in Slough meet every two months with Dr Sydney Brenner, the director, and his scientists. Dr Brenner is also a biotechnology consultant to Rothschilds, whose trust Biotechnology Investments holds 11.4 per cent of Celltech's shares. Sir James Gowans himself is on the Celltech board.

As Gerard Fairtlough, Celltech's chief executive sees it, the partnership has established three guiding principles for collaboration, written into the agreement for the next five years.

● First, for ideas already adopted or MRC research now being funded by Celltech the company retains full rights to exploitation. This applies to about 15 specific potential products which started life in MRC laboratories, Fairtlough says. A suite of monoclonal antibodies useful in blood typing is one example.

● Second, any general areas of research to which Celltech has given support—the anti-interferons is an example—the MRC is under obligation to offer the company. The company undertakes to give its answer within three months. This applies to about ten areas of research, Fairtlough says.

● Third, the MRC is no longer under any obligation to offer Celltech the chance to exploit work in genetic engineering in which the company has shown no prior interest. This is an important change from the first agreement. It puts the onus on the company to convince the MRC that it remains in its best interest to offer Celltech the idea rather than any other company.

The first medical products from the Cambridge discovery will be for diagnosis, to assay disease and other human conditions. Such products do not need the protracted clinical testing necessary for drugs which must be taken regularly.

Celltech persuaded the MRC's leading authority in new diagnostic techniques to join the company. Dr William Hunter, who was heading its immunoassay team in Edinburgh, also brought two of his senior staff.

Dr Hunter, one of the world's foremost immuno-biologists, says he already saw himself as an entrepreneur, sought out by British doctors to help keep Britain in the vanguard of new diagnostic techniques. "An extremely practical academic" is how his boss sees him.

Dr Hunter is research director of Boots-Celltech Diagnostics, a joint venture set up recently alongside the Celltech laboratories in Slough, to specialise in the application of monoclonal antibodies to novel diagnostic products. Its first product, a new assay that can find congenital defects such as spina bifida in unborn babies, was invented by Dr Hunter's team in Edinburgh.

The same assay, for alpha feto protein (AFP) gives early warning of liver cancer, a condition which secretes large amounts of AFP. Such tests can take as little as three hours.

According to David Gration, a former Wyeth executive, now chief executive of Boots-Celltech, the AFP assay is just the first of a series he confidently expects to revolutionise health-care laboratory practice. In assays for infectious disease "we are certainly as far down the track as anybody."

Boots, eager to break into a burgeoning new market, provides the joint venture with a ready-made distribution network.

Mr Gration also enthuses over two other exciting ideas from Dr Hunter. One is an "absolutely unique" fertility test which tells precisely when a woman is ovulating, which he sees as a breakthrough in birth-control technology. The other is an on-the-farm test for fertility in cows.

Already, claims Gration, the MRC has introduced Celltech to a wealth of prospective new diagnostic products — "more than enough to set up a business." Dr Hunter has harnessed his own informal network of science advisers throughout the MRC, and more widely.

David Gration, new to managing scientists, says he has been made sharply aware that if Boots-Celltech does not move fast enough it will not be able to retain the scientists—including a dozen PhDs—who make up more than half his staff of about 50, so fierce is the international competition in monoclonal antibodies.

Rabobank.
The right partner for business with the Netherlands.

Bilateral trade between the Netherlands and the United Kingdom continues to grow. Rabobank has therefore opened a representative office in London. It is here to assist British companies maintaining trade relations with the Netherlands. It is here to help you with information about trade opportunities and suitable business locations in the Netherlands.

The Rabobank London office also helps in obtaining finance, raising loans in Dutch currency and in acting as an intermediary in financing subsidiaries based in the Netherlands.

For Rabobank knows its country inside out.

One third of all Dutch companies do business with Rabobank. Some 3,100 offices offer on-the spot service in the Netherlands. And since the Netherlands is one of the world's most important trading countries, Rabobank offers you international financial expertise as well.

With total assets exceeding 110 billion Dutch guilders, Rabobank is not only one of the largest banks in the Netherlands, it also ranks among the 50 largest banks in the world.

So if you are looking for the right partner in international business financing, please contact our representative office in London.

Rembrandt country is Rabobank country. The country where traditions of excellence continue to flourish.

Member of Unico Banking Group.

London Representative Office, Princes House, 95 Gresham Street, London EC2V 7NA. Tel. 01-606 6361. Telex 892950.

Rabobank

Rembrandt country is Rabobank country.

Rabobank Nederland, International Division, Catharijnesingel 30, 3511 GB Utrecht, the Netherlands. Telex 40200. Branch office New York, U.S.A. Telex 424337. Representative office Frankfurt/Main, F.R.G. Telex 413873. Subsidiary Curaçao, Curaçao N.A. Telex 3422.

830223

New streak of confidence

Video & Film

By JOHN CHITTOCK

AS EVERY good marketing manager knows, the principles of successful marketing can be enshrined in a few immutable laws of business. These are to make a reasonably-priced product that the customer wants, to create awareness of the product, and to make obtaining the product easy.

Surprisingly, one major industry which has a tradition rooted in salesmanship has been less than consistent in applying those principles. The cinema business has failed miserably in its attempt to reverse the decline of its fortunes over the last 20 years in Britain.

In 1982, Britain contained fewer than 1,000 cinemas, compared with some 1,500 in 1971. One in four people in Britain live at least 20 miles from their nearest cinema.

The good news, however, is that for every three or four people who are aware of a film, one will see it. Any marketing manager of average brightness, confronted with such evidence, might well say "funny—I'm missing out somewhere." That immutable law of marketing—product awareness—seems to have been overlooked.

Indeed, many critics of Britain's cinema industry would claim—in their more charitable moments—that some of the other laws have been brushed aside too, such as making it easy for the customer to obtain the product.

In an impressive attempt to return to first principles, Thorn EMI is starting a new marketing campaign. The company has integrated its cinema, film, television and video activity into one new division.

Concentrating on the cinema side of its business, Thorn EMI has analysed its problems over marketing. PA Management Consultants looked at why people go to the cinema. Saatchi and Saatchi analysed how they can be made to go more often.

What emerges is extraordinary not so much for its revelations, but for the inference that these are revelations.

The main finding is that if more people can be made aware of specific films, cinema attendances will increase.

The research concludes that people go to see specific films. They do not just "go to the cinema" as they did 30 years ago.

From this emerges two obvious, but easily neglected, principles: "You need an adequate supply of at least adequate films" and there is "significant scope to increase traffic through advertising."

People are made aware of films by friends or family, TV advertisements, TV reviews, local newspaper advertisements and cinema hoardings.

Thorn EMI is all set to follow up the lessons of the research. It will run full-page advertisements in the national Press every Friday to show when and where films can be seen.

Archaic practices of the industry will be scrapped. These include the booking of strong competing films at different cinemas during the best months.

Thorn EMI cinemas will also operate on fixed programming times. And the company will guarantee film screening periods of up to four weeks at main cinemas. This will allow distributors a decent opportunity to promote their wares.

Much tinkering with management methods and policies will also streamline the package. It all adds up to a convincing streak of confidence for a battered industry.

Space

Decisions ahead for ESA

The European Space Agency will decide next year whether to join the U.S. in its space station venture, according to M Michel Bignier, the agency's director of space transportation systems.

M Bignier said the European organisation would be keen to provide hardware for the venture. "But you would need a crystal ball to say what is going to happen because we still do not know what the Americans are planning."

M Bignier said he was extremely pleased with the results from the first Spacelab mission which ended last week. Of the 71 scientific experiments on the vehicle, only one failed. The experiments included projects in remote sensing and astronomy and work to determine ways of mixing metals to make new alloys.

The space agency will decide over the next few months on whether to fund more Spacelab flights. On future missions, ESA will have to pay the American government the commercial rate for using the space shuttle. This puts the total cost of a 10-day Spacelab mission at around U.S.$160m.

Telephony

Logging the calls

CALLOG, THE London telephone call logging equipment and service company, now offers a standard report which includes a summary of long distance and international calls for each extension line of a PABX.

Since it started operating in August 1981 the company claims it has acquired the lion's share of the market.

In the Callog system, users buy or lease relatively cheap monitoring equipment in which the data is recorded on a tape cassette holding, on average, data relating to 4,000 calls. This is analysed at three NCR centres on big mainframe computers and comprehensive reports are returned to clients.

The equipment costs from £1,600 and the annual service charge for providing the reports is £360. These figures alone may account for the success of the company since most other systems on offer carry out analysis within the monitoring equipment and print the reports on the user's premises—they are usually more expensive as a result.

Callog's reports can be extensive and detailed says the company, because the analysis takes place on powerful computers. In addition, basic analysis data such as call rates and the correlation of town to dialling code is kept fully updated and accurate. More on 01-730 2056.

Retailing

A NEW company, Microsell, funded by British Technology Group and an investment syndicate, has launched a modular retail system which the company says "can be customised to meet each retailer's trading environment."

Apart from the customary keyboard, displays and cash drawer, each terminal on the Model 8000 supports a light pen for bar code reading and an integral magnetic stripe reader for credit cards—with an associated built-in auto-dialler to allow card authorisation.

There is also an integral 18 or 40 column printer and a choice of displays ranging from two single lines (one for assistant and one visible to customer), to five or seven inch display screens.

Microsell 8000 can be used as a stand-alone till, in which case a controller and data storage are built into it, or several can work together, looped into a controller. In the multi-terminal case the storage, which can be the most cost effective combination of semiconductor, Winchester disc or floppy disc, is connected to the controller.

For larger systems, several controllers and standalone terminals can be connected via a communications processor, which in turn can link the whole system to a company's mainframe. More on 092576 5933.

Smuggling

BRITISH AEROSPACE is selling a new version of an X-ray system to detect smuggled goods. Lorries laden with cargo drive into a bay where the complete vehicle is X-rayed. Contraband shows up on TV screens in an operators' room.

The good news is FERRANTI Selling technology

هكذا من الأصل

NEW YORK STOCK EXCHANGE 20–22
AMERICAN STOCK EXCHANGE 21–22
WORLD STOCK MARKETS 22
LONDON STOCK EXCHANGE 23–25
UNIT TRUSTS 26–27
COMMODITIES 28
CURRENCIES 29
INTERNATIONAL CAPITAL MARKETS 30

FINANCIAL TIMES

Tuesday December 20 1983

London jobbers move to widen margin on oil shares, Page 22

WALL STREET

A dampener felt in Fed deliberations

A CAUTIOUS attempt at an end-of-year rally was made on Wall Street yesterday, when leading stocks edged higher with the help of slight falls in rates in the bond market, *writes Terry Byland in New York.*

However, turnover was light and both sectors of the market remained prey to nervousness over the likely outcome of today's meeting of the Open Market Committee of the Federal Reserve Board.

The Dow Jones industrial average was up 2.44 to 1,244.61 at the close.

Some bond market participants believe the Fed may decide to tighten credit policies now, rather than wait until next year when the presidential election campaign will be in full swing.

It is thought that the Fed will find it more difficult to draw in the monetary reins after Congress has returned from the Christmas break, and the political organisations are bracing themselves for the opening of the presidential primary campaigns. President Ronald Reagan is expected to announce his election decision early in the new year.

The stock market was slow to make a start yesterday, but prices began to move up at mid-morning as bonds recouped the minor falls chalked up late on Friday after the confirmation of a $5.5bn gain in M1 money supply last week.

Transport stocks looked a shade better but utility issues, battered by the fear of higher interest rates ahead and by continued problems over nuclear power reactors at Long Island Lighting and other utility power stations, remained uneasy.

The onset of the Christmas season cut down the flow of corporate reports. An early feature was the cancellation of the proposed purchase of Tymshare by McDonnell Douglas. Both stocks made a delayed start to trading, and Tymshare faced heavy selling orders when they returned to the trading floor, to lose $4½ to $20⅞. McDonnell returned at $58, a shade firmer, in line with the rest of the heavy industrial leaders.

Greyhound added $½ to $25⅞ as the outcome of the vote by its striking workforce was awaited. Greyhound also announced completion of the sale of the Armour meat products business, which resulted from the company's resistance to the industrial dispute.

With the vesting date for the new stocks now only three weeks away, the AT&T stocks continued to head the active list. The old stock, at $63¾, eased $⅝, while the new stock was unchanged at $18¾ on slightly less business.

IBM gave a strong lead, gaining $1⅜ to $122, but turnover was relatively light for the market's bellwether stock. General Electric added $⅝ to $58, Eastman Kodak $⅛ at $74⅜ and Honeywell $⅞ to $136¼.

American Express, $¼ higher at $31, extended its recovery from last week's shakeout.

The credit market braced itself for the heavy weight of Treasury funding now due over the holiday period. Dealers believe that the problem of absorbing the Treasury's needs will be magnified by an unwillingness of major funds and investors to reopen inventories now closed until the new year.

The market must face $29.3bn in Treasury funding this week, and then a further $15bn or so next week. Fortunately, borrowing calendars in both the corporate and municipal bond sectors are now light until the end of the year, but there is still a certain amount of disquiet over the size of Treasury demands.

The chief test will come next week when the authorities seek to sell four and seven-year notes and 20-year bonds. With investors hurrying towards the short end of the market, these longer-dated issues will be difficult to place.

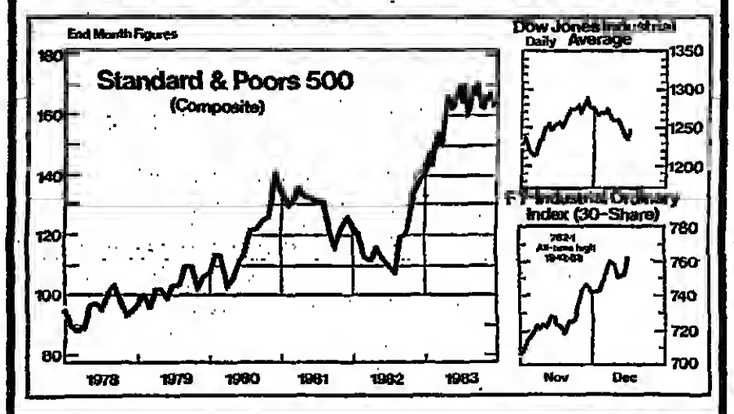
But the view of the Treasury is that the credit market has been given enough time – since October – to overcome the difficulties.

The Treasury gave further help to the short end of the market yesterday in the form of $2bn in customer repurchases when the Federal funds rate stood at 9 11/16 per cent.

Treasury bill rates opened a shade higher at 9.11 per cent for the three-month and 9.24 per cent for six-month bills. Later the three-month bill slipped back to a discount of 9.04 per cent, 5 basis points down on Friday, but the six-month bill, at 9.27 per cent discount, remained 5 basis points up.

The key long bond at 100 9/32 was 7/32 up and yielding 11.98 per cent.

KEY MARKET MONITORS



STOCK MARKET INDICES

	Dec 19	Previous	Year ago
NEW YORK			
DJ Industrials	1,244.61	1242.17	1011.50
DJ Transport	590.90	590.15	444.32
DJ Utilities	130.54	131.02	117.29
S&P Composite	162.73*	162.39	137.49
LONDON			
FT Ind Ord	762.1	759.30	591.2
FT-A All-share	463.52	462.48	379.69
FT-A 500	495.40	494.59	419.50
FT-A Ind	457.17	456.06	392.91
FT Gold mines	558.2	558.00	508.4
FT Govt secs	82.64	82.34	78.85
TOKYO			
Nikkei-Dow	9484.17	9530.61	7865.88
Tokyo SE	701.22	705.32	579.55
AUSTRALIA			
All Ord.	755.60	756.00	473.30
Metals & Mins.	544.90	549.20	394.60
AUSTRIA			
Credit Aktien	55.39	54.82	48.69
BELGIUM			
Belgian SE	134.48	133.87	99.00
CANADA			
Toronto Composite	2503.6 *	2506.70	1857.60
Montreal Industrials	438.72*	440.38	314.40
Combined	422.23*	423.34	311.06
DENMARK			
Copenhagen SE	200.58	199.26	93.75
FRANCE			
CAC Gen	149.10	148.60	100.40
Ind. Tendance	159.50	159.10	119.40
WEST GERMANY			
FAZ-Aktien	344.12	340.91	246.40
Commerzbank	1018.30	1007.90	743.80
HONG KONG			
Hang Seng	857.25	860.77	757.73
ITALY			
Banca Comm.	186.43	187.88	167.32
NETHERLANDS			
ANP-CBS Gen	147.70	147.10	97.30
ANP-CBS Ind	122.70	121.50	81.10
NORWAY			
Oslo SE	212.19	212.19	96.33
SINGAPORE			
Straits Times	982.51	983.49	742.72
SOUTH AFRICA			
Golds	834.70	849.90	886.60
Industrials	936.60	927.00	725.60
SPAIN			
Madrid SE	closed	119.48	97.37
SWEDEN			
J & P	1446.64	1475.44	858.15
SWITZERLAND			
Swiss Bank Ind	371.90	371.60	281.20
WORLD	Dec 16	Prev	Yr ago
Capital Int'l	179.0	178.60	148.70

Corporate bond indications in New York were unavailable at source.

CURRENCIES

	U.S. DOLLAR		STERLING	
(London)	Dec 19	Previous	Dec 19	Previous
$	–	–	1.4185	1.4140
DM	2.7730	2.7780	3.9350	3.93
Yen	236.15	235.70	335.25	333.50
FFr	8.4556	8.4775	11.9950	11.9850
SwFr	2.2120	2.2150	3.14	3.1350
Guilder	3.1145	3.1170	4.42	4.41
Lira	1681.75	1682.50	2385.00	2378.50
BFr	56.44	56.56	80.05	80.00
C$	1.25025	1.2505	1.7730	1.7685

INTEREST RATES

	Dec 19	Prev
Euro-currencies (offered rate)		
£	9¼	9⅝
SwFr	4 13/16	4⅞
DM	6⅞	6 7/16
FFr	14	13⅝
FT London Interbank fixing (offered rate)		
3-month U.S.$	10½	10 5/16
6-month U.S.$	10 7/16	10 11/16
U.S. Fed Funds	9 11/16*	9⅝
U.S. 3-month CDs	10.05*	10.10
U.S. 3-month T-bills	9.09*	9.08

U.S BONDS

Treasury		Dec 19 Price	Dec 19 Yield	Prev Price	Prev Yield
10½	1985	99 14/32	10.82	99 15/32	10.80
11½	1990	98 25/32	11.80	97 17/32	12.03
11.75	1993	99 15/32	11.84	99 12/32	11.85
12	2013	100 17/32	11.93	100 1/32	11.94

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
December	70–05	70–10	n/a	70–07
U.S. Treasury Bills (IMM) $1m points of 100%				
December	90.99	91.02	90.97	90.99
Certificates of Deposit (IMM) $1m points of 100%				
December	90.13	90.12	90.10	90.12
LONDON				
Three-month Eurodollar $1m points of 100%				
March	89.52	89.55	89.48	89.47
20-year Notional Gilt £50,000 32nds of 100%				
December	108–30	109–03	108–25	108–14

COMMODITIES

(London)	Dec. 19	Prev
Silver (spot fixing)	609.10p	624.40p
Copper (cash)	£969.50	£958.00
Coffee (Jan)	£2078.00	£2124.00
Oil (spot Arabian light)	$28.12	$28.18

GOLD (per ounce)

	Dec 19	Prev
London	$375.125	$373.875
Frankfurt	$375.00	$377.25
Zürich	$375.25	$374.50
Paris (fixing)	$377.49	$379.93
Luxembourg (fixing)	$376.45	$381.75
New York (Dec)	$373.0	$372.60

* *Indicates latest pre-close figure*

LONDON

New York talk adds to festivities

THE RUN-UP to the Christmas holiday began for London equity markets in quietly festive mood yesterday. Most blue chip industrials found genuine investment demand lacking, but this failed to stop the FT Industrial Ordinary share index attaining an all-time peak, up 2.8 at 762.1.

Bowater provided the base for the assault, closing 10p better at 253p, after 256p, on buying fuelled by a suggestion that the group is to receive a U.S. re-rating and could be high on American investors' new year lists for the ADR facility.

Elsewhere, Britannic Assurance's agreed offer for Midland Trust prompted a jump of 65p in MT to 200p, while talk of a U.S. predator entering the battle for Eagle Star lifted that insurer 8p to 728p.

Gilts took heart from sterling and gained ground in thin trading. Longer-dated stocks recorded gains ranging to ¾, but shorter maturities were only around ⅛ dearer.

Details, Page 23; Share information service, Pages 24–25.

SINGAPORE

WITH NO NEW factors to sustain trading, volume fell in Singapore and the Straits Times industrial index eased 0.98 to 982.51.

The recently listed Chuan Hup Marine was the most active stock and it closed 1 cent ahead at S$2.69.

United Industrial Corporation, which resumed trading after being under suspension since November 22, was also actively traded and finished 9 cents firmer at S$1.52. The company announced the sale of its wholly owned investment subsidiary, resulting in an extraordinary profit of S$19m for the group.

Elsewhere, industrials and finances were mostly lower but hotels and properties were little changed.

HONG KONG

A SLIGHTLY easier mood emerged in very quiet Hong Kong trading and the Hang Seng index slipped 3.52 to 857.25.

Among leaders, China Light fell 10 cents to HK$11.80, Hongkong Land 2 cents to HK$2.85 and Jardine Matheson 30 cents to HK$11. Swire Pacific "A" was down 10 cents to HK$14.20 and Wheelock Marden "A" 2 cents to HK$2.90.

AUSTRALIA

THE SHARP FALL in the bullion price and an easier market for base metals left the mining sector easier in Sydney.

However, the industrial sector remained bullish and the All Ordinaries index ended 0.4 lower on the day at 755.7 in moderate turnover.

Market speculation about takeovers in the oils sector saw Santos – one of the rumoured bidders – 18 cents ahead at A$7.78, while Claremont was also well supported, adding 8 cents to A$2.03.

SOUTH AFRICA

LATE INTERVENTIONS from abroad to cover short positions assisted Johannesburg gold shares in maintaining a fairly unruffled reaction to a weekend bullion price retreat.

Randfontein shed R1 to R164 after R163, but Kloof held at R55. Anglo-American dipped 50 cents to R19.20.

CANADA

DIFFICULTY was encountered in establishing any clear trend in Toronto, with weakness evident among the oil and property sectors. Turnover was lively, however, and many morning losses were later recouped.

Utilities had a good Montreal showing, while both industrials and banks appeared lacklustre.

TOKYO

Poll result punctures enthusiasm

THE RULING Liberal Democratic Party (LDP) setback in Sunday's general election sent Tokyo stock prices plummeting yesterday from Saturday's all-time peak. Losses were seen across the board in the morning session, with blue-chip and speculative issues leading the decline before a large number of stocks recouped much of the lost ground in the afternoon, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei-Dow average, which fell 187.18 points in the morning, made a gradual recovery in the afternoon to finish the day off 81.47 points at 9,484.17. Volume totalled 251.19m shares, compared with 430.66m on Friday's full-day session. The selling, although hurried was unexpectedly light.

The stock market had resumed its advance last Wednesday on widespread expectations of an easy victory by the LDP in the election. The Nikkei-Dow reached an all-time high of 9,565.64 on Saturday after a four-day gain of more than 180 points.

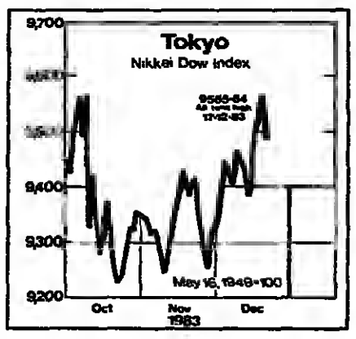
The unexpected heavy loss of LDP seats in the Lower House sent stock prices into a tailspin in the morning on small-lot sales and dealers' sacrifice selling.

The afternoon rally came on dealers' renewed buying and investor repurchases. This was based in turn on prospects that the ruling party could scrape together a majority by allowing some independent electoral victors to join the party on top of the 250 seats it won, even though it failed to obtain the simple majority of 256 seats in the 511-seat Lower House.

Prominent among the losers were blue-chip issues. Fuji Photo Film lost Y70 (down Y90 at one stage) to Y2,010, NEC Y30 (Y80) to Y1,420, Matsushita Electric Industrial Y50 (Y70) to Y1,870, TDK Y20 (Y300) to Y5,350, and Toyota Motor Y30 (Y70) to Y1,440. Sony, which plunged Y140 at one time, rebounded sharply to Y3,480, up Y30 from Saturday's close.

Speculative issues suffered small-lot selling across the board. But JEOL advanced Y61 to Y879 on foreign buying. Central Glass also climbed Y11 to Y321, and robot-related issues gained strength, with Nachi-Fujikoshi rising Y4 to Y541 and Yaskawa Electric Y5 to Y600.

On the bond market, the defeats for the LDP and the yen's slide against the U.S. dollar forced investors to the sidelines. The yield on the benchmark 7.5 per cent long-term government bonds, maturing in January 1993, consequently rose somewhat to 7.465 per cent from Saturday's 7.445 per cent.



EUROPE

Frankfurt answers buyers' call

A SLOWING in the dollar's rise, with confidence drawn from Wall Street's slightly firmer close on Friday, gave encouragement to investors in most European centres.

Some bargain bunting after last week's declines helped Frankfurt ahead, and the Commerzbank index recorded a 10.4 rise to 1,018.3.

Siemens was in demand, touching DM 380 before settling to close up DM 5.40 at DM 379.40. SEL, which with Siemens is expected to benefit from the digitalisation of West German telephone exchanges, gained DM 7.50 to DM 324.50.

Banks made gains, with Deutsche DM 3.10 higher at DM 318.80, Dresdner adding DM 2.10 at DM 165.90 and Commerzbank DM 2.50 ahead at DM 164.

Insurer Allianz rose DM 15 to DM 509 as investors awaited the next move in its contested takeover bid for Eagle Star of Britain.

Foreign buyers returned to the chemicals sector, taking Hoechst up to DM 177 before it eased to close DM 1.50 ahead on the day at DM 176.20. BASF rose 60 pfg to DM 166.70, Bayer 30 pfg to DM 166.80 and Schering DM 3.50 to DM 358.

Bonds continued the steadier tone which began on Friday. Banks were active buyers of short-dated issues, although volume was restricted with investors holding back ahead of the year end.

The Bundesbank sold DM 20m of paper to balance the market after DM 16.7m of purchases last Friday.

A mainly quiet, but firmer, Amsterdam was dominated by the weekend announcement that Philips and a consortium of European banks plan to take over Grundig of West Germany next year.

Philips rose 90 cents to Fl 43.30, but other internationals were mixed. Banks and insurers gained, while among publishers, Elsevier firmed Fl 8 to Fl 479, Océ-Van der Grinten added Fl 2.50 to Fl 232 after a Fl 234 opening.

State loans were unchanged to slightly higher.

The compromise agreement between the French Government and the Peugeot motor group over the future of its Poissey plant gave some encouragement to investors in Paris.

Shares ended mixed to firmer, although Peugeot dipped FFr 2.50 to FFr 200.50.

In a steady Zurich, chocolate maker Lindt, which added SwFr 100 to SwFr 10,000, was at its highest level for several years.

Continued on Page 22

ARGENTINA

A WEEKEND announcement that a further tax on Argentine shareholdings is being planned prompted swift markdowns of some 35 to 40 per cent in Buenos Aires stocks, as the exchange opened to an angry response from private investors.

At one stage trading, disrupted by members of the public, was suspended for almost half an hour. Many of the panic sellers were said to have undeclared assets in the market.

The Ebic banks bring strength and experience to your financial operations

Over the past 20 years, the Ebic banks have been co-operating with each other in order to offer services which are both innovative and dynamic to their national and international customers. Their expertise has benefited small, as well as large businesses, importers, exporters, international organisations, states and, indeed, governments.

Through their interbank co-operation, their international networks and their common investments, the Ebic banks can assist in a variety of financial operations. These include business loans, export financing, euroloans, foreign exchange risk coverage, eurocurrency issues, project financing, mergers and acquisitions and many others.

Specially created by the Ebic banks are a number of common investments in which either all or the majority of the member banks have important holdings. In Europe, for instance, there's **European Banking Company SA Brussels** and **European Banking Company Limited** in London which together, as the **European Banking Group**, wholly-owned by the seven Ebic banks, offer specialised services throughout the world.

In the States, there's **European American Bancorp (EAB)** with subsidiaries in New York and their affiliates and branches in Bermuda, Cayman Islands, Chicago, Los Angeles and Nassau (Bahamas).

Then there's **European Asian Bank (Eurasbank)**. Headquartered in Hamburg, it has branches in Bangkok, Bombay, Colombo, Hong Kong, Jakarta, Karachi, Kuala Lumpur, Lahore, Macau, Manila, Seoul, Singapore and Taipei.

Ebic banks also have important participations in **European Arab Bank** in Brussels, Cairo, Frankfurt, London and Manama (Bahrain), and in **Euro-Pacific Finance Corporation** in Brisbane, Melbourne and Sydney.

If you'd like to take advantage of our financial strength and experience, and would appreciate further details, then just send your business card, marked "Information on Ebic," to the Ebic Secretariat, 100 Boulevard du Souverain, B-1170 Brussels.

Amsterdam-Rotterdam Bank
Banca Commerciale Italiana
Creditanstalt-Bankverein
Deutsche Bank AG
Midland Bank plc
Société Générale de Banque Generale Bankmaatschappij
Société Générale

ebic
European Banks International

Europe's most experienced banking group

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
17¼	8⅝	FAR	.44	2.8	20	2155	15¾	15½	15½	+⅛
52¼	28¼	ACF	1.40	2.6	240	343	50⅝	50	50¼	+¼
19¼	16¼	AMCA	n			6	x20½	19⅝	20½	+⅛
18¾	14⅛	AMF	.50	3.2		324	16	15¼	15¾	−⅛
39¾	16½	AMRCp			16	3239	36¼	35¼	35¾	
19½	15	AMR	pf2.18	12.		13	18¾	18½	18½	−⅛
40¼	24⅞	AMR	pf2.13	5.6		54	37⅞	37⅞	37⅞	−¼
16¼	3¼	APL			23	32	15¾	15¼	15¾	
55¾	33⅛	ARA	2.05	4.1	11	61	50½	50	50½	−⅛
79⅝	50¼	ASA	.3a	5.8		375	54⅝	53¾	53⅞	+⅛
33¾	14	AVX	.4	3.2	1.2	41	47	27¼	26½	27¼	+1
53⅛	36⅛	AbtLab	1	2.2	17	1467	45⅞	45¼	45¾	+1½
30⅝	23¾	AccoW	n.60	2.1	21	38	28½	28½	28½	+⅛
27½	16¾	AcmeC	.40	1.6		19	25¼	25	25	−¼
14⅛	7⅝	AcmeE	.32b	2.8	563	1	11¼	11¼	11¼	
24⅞	9⅛	AdmDg	.04	.2	18	20	20⅝	20½	20⅝	+⅛
18⅝	15	AdmEx	1.73e	9.7		43	17½	17½	17½	+½
19¾	7¾	AdmMl	.24	1.5	6	12	16¼	15¾	16	+¼
18⅝	8¼	Advest	.12	1.0	7	128	12¼	11¼	11¼	−¾
35½	12¾	AMD	.4		54	1125	32⅞	32	32½	+⅛
24⅝	13⅛	Aetna	.5		18	173	17½	16½	17⅛	+⅛
43½	32⅞	AetnL1	2.64	7.5	8	1099	36¼	35¼	35¼	−1
65	56¼	AetL	pf5.05e	9.0		1605	56⅝	56	56½	
40½	22½	Ahmns	1.20	5.1	6	91	23⅞	23⅝	23⅝	+⅛
7⅝	2¼	Aileen				124	5¼	4½	5¼	+⅛
51	32	AirPrd	1	2.2	13	180	46	45¼	45¼	−⅛
30⅞	13⅞	AirbFrt	.60	2.0	24	78	29⅝	29	29⅝	+⅛
2⅝	1¼	AlMos	.6		22	648	2½	2¼	2¼	−⅛
33½	29½	AlaP	pfA3.92	13.		29	30	29¼	29¼	−1
7⅝	6⅛	AlaP	pcf.67	13.		30	6⅛	6¼	6¼	
89	69½	AlaP	pf 11	12.		220	82½	82½	82½	+¼
71	60	AlaP	pf8.16	14.		24110	81½	80	80	−2½
70	60	AlaP	pf8.28	13.		290	81½	81½	81½	−½
24½	15⅝	Alegsco	1.76	8.3	7	5	21½	21¼	21¼	
18½	10¼	AlskAir	.12	.9	11	65	14⅝	14¼	14¼	
21	13⅝	Alberto	.54	3.3	18	18	16¼	16¼	16¼	
30¼	19¼	Albtsn	s.60	2.3	13	548	26¼	25¾	26	−⅛
41¾	24¼	Alcan	.90	2.4		1709	37⅞	37½	37½	−⅛
40¼	26⅛	AlcoStd	1.16	3.3	13	49	35⅛	35	35	−⅛
27⅞	18⅝	AlexAlx	1.50		50	503	20½	20	20	−⅛
18	9¼	Alexdr			17	25	18	18¼	18	
95	49¼	AllgCp	1.68	17	11	158	62¼	62	62¼	
27¼	23¼	AllgCp	pf2.85	11.		8	25¾	25¾	25¾	
36¼	26¼	AllgInt	1.40	4.3		71	33¼	32¼	32¼	−⅛
22¼	18½	Allgin	pf2.19	10.		19	22	21⅞	21⅞	−⅛
98	80½	Allg	pfC11.25	12.		5	91⅞	91⅞	91⅞	
29	22¾	AllgPw	2.80	9.7	6	464	29¼	28¾	28¾	+½
24½	13	AllenG	.50b	2.2		84	23¼	22¾	23¼	+⅛
58¼	31¼	AlldCp	2.40	4.5	10	773	52¾	53	53	+⅛
65½	54⅝	AlldCp	pfc.74	11.		43	63⅝	63¼	63⅝	+⅛
110¼	97¼	AlldC	pf10.12e	9.8		267	104¼	103¼	103½	−½
9⅞	5¼	AlldPd			12	32	9⅝	9¼	9¼	+⅛
56½	34¼	AlldStr	2	4.2	8	700	48¼	47¼	47¼	−⅛
19½	7⅞	AllisCh				768	16¼	16¼	16¼	−⅛
38½	22¾	AlsCh	pf		2		35⅝	35⅝	35⅝	−⅛
26⅞	21⅛	ALLTL	1.80b	7.1	9	80	25¼	25¼	25¼	−⅛
33⅞	26½	ALLT	pf2.06	6.2		13	33½	33½	33½	+⅛
32⅞	26¼	AlphPr		6.2		2	26½	26¼	26¼	+⅛
47⅞	28	Alcoa	1.20	2.8	102	1067	43½	42⅞	42⅞	+⅛
32¼	19½	Amax	.20	.8		1069	24½	24¼	24½	+⅛
23¼	17¼	Amrce	.40	1.6		5	25¼	25¼	25¼	
34¼	20¼	AmHes	1.10	4.0	12	2368	27¼	27¼	27¼	−⅛
3¼	1½	AmAgr				238	2¼	2¼	2¼	+⅛
20⅝	11¼	AlBakr				34	14¼	14¼	14½	+⅛
60¾	43¼	ABrand	3.80	8.1	9	98	59¼	58	59	−⅛
27½	25	ABrd	pf2.75	11.		13	26	25½	25¾	−⅛
60	44	ABrd	pf2.67	4.5		2	59½	59½	59½	−⅛
69¼	48⅞	ABdcst	1.80	3.0	10	675	54¼	54	54¼	
30⅞	20¼	ABstM	s.82	3.3	11	49	24¾	24	24¼	+⅛
22¼	10¼	ABusP	s		15	21	22¼	22¼	22½	
49½	30¼	AmCan	2.90	6.1	18	232	47¼	47¼	47¼	
24½	21⅛	ACan	pf2.60	12.		8	22⅞	22⅞	22⅞	
44	29	ACan	pf 3	7.2		7	41½	41½	41½	−⅛
20⅞	17½	ACapEd	2.18	12.		100	19¼	18	18	−⅛
35½	28½	ACapCv	4.75e	15		1	31½	31½	31½	
16½	5	ACntC	s		7	96	14½	14¼	14¼	
59	33	ACyan	1.75	3.6	16	746	49¼	48	48⅝	+⅞
32⅞	20	ADI	s.92	3.7	12	398	24⅞	24⅛	24⅛	+⅛
20¼	17¼	AEPw	2.26	13.	8	1483	17½	17½	17½	−⅛
49½	28	AExp	s1.28	4.1	9	13023	31¼	30½	31¼	+⅛
20⅝	12⅛	AFarm	.60	3.1	10	169	20	19¾	19¾	−⅛
26¼	17⅞	AGnCp	4.80	3.5	8	2536	22¼	22¼	22¼	+⅛
58¼	45¼	AGrd	pfA5.50e	10.		521	53	53	53	−⅛
71½	51¼	AGrd	pf65.17e	8.1		24	64	63½	63½	+½
56	40⅞	AGri	pf3.25	6.5		6	50½	50¼	50¼	−⅛
29	19⅛	AHerit	.96	3.7	11	8	26¼	25⅞	26¼	+⅛
11	7	AHost			58		13½	13¼	13½	−⅛
54¼	41¼	AHome	2.48	4.8	13	1662	49⅞	48¼	49¼	+⅛
49	35¼	AHosp	1	2.5	15	1195	40½	39½	40¼	+⅛
68⅞	62¼	Amrtc	wt	8.9		2426	64	63½	63½	−⅛
37¼	21	AMI	4	.46	23	10	2549	21¼	21	21¼	
11¼	5½	AmMot				1021	6⅞	6⅞	6⅞	−⅛
44½	32¼	AMatRs	3.16	7.5	8	156	42¼	42¼	42¼	−⅛
31⅛	18¼	APwr	n		27	370	29½	28¼	29	−⅛
26⅞	9⅞	ASLFI	.9		6	165	14½	14¼	14¼	−⅛
20½	17¼	ASLFI	pf2.19	12.		99	18⅛	18	18⅛	
15¼	11	AShip	.80	3.5		177	14⅝	14½	14½	
38⅛	26⅛	AmStd	1.80	5.2	16	457	31	30½	30¾	−⅛
24¼	12¼	ASteel	.44	2.4	11	221	18¼	18¼	18½	
44	19¼	AmStr	x.48	1.2	12	92	39½	39¼	39¼	+⅛
54½	47½	AStr	pf5.51	10.		1	53¼	53¼	53¼	+⅛
70¼	57	ATT	5.40a	8.5	9	35943	64	63½	63½	−¼
21¼	17¼	ATT	wi1.20	6.4		20901	18⅞	18⅝	18⅞	−⅛
38½	33¼	ATT	pf3.64	11.		227	34¼	33¾	33¾	−⅛
29⅞	24½	ATT	pf3.74	11.		182	34¼	34¼	34¼	−⅛
32	18⅞	AWstr	1.40	4.8	8	2	29¼	29¼	29¼	−⅛
12½	10⅝	AWis	5pfl.25	12.		2100	10¼	10¼	10¼	
26⅝	19¼	AHod	n1.71e	6.8		78	25¼	25¼	25¼	−⅛
57⅞	54¼	AtrPr	wi			691	56¼	56¼	56½	−⅛
10⅞	7¼	AtrSc	wi			311	8½	8¼	8½	−⅛
67½	61¼	AtrUn	wi			44	64¼	63½	64¼	−⅛
36¼	25	Ameron	1.60	4.8	9	2	33½	33½	33½	−⅛
52⅞	20¼	AmesD	s.32	.7	16	251	48¼	46¼	48¼	+1⅛
27¼	16½	Amerk	s.60	3.1	18	510	28	25¼	26	
31½	21¼	Amtrac	1.44	4.6		49	30	29¼	29⅞	−⅛
26⅞	15¼	Amfres	n1.95e	11.	6	201	18	17⅞	17⅞	−⅛
117	63½	AMFin	1.60	1.4	28	614	112⅞	110½	112½	+1½
16⅛	11⅞	Ampco	.30	1.7		52	17⅞	17⅞	17⅞	+⅛
20⅞	10¼	Amrep	3.31t	17.	12	7	19¼	19½	19½	
36⅞	22¼	AmStn	1.92	5.8	8	10	34	34	34	−⅛
50⅝	23	Amstar	1.90	4.2	14	210	45⅞	45⅞	45⅞	+⅛
7⅝	5¼	Amst	pf .88	9.1	7		7½	7½	7½	
37⅞	22½	Amstad	.80	2.4		64	35	33¾	33¾	−1½
23¼	5	Anacmp	.09j			2727	8	7¾	7¾	−⅛
42	17¼	Analog	s		41	127	40	39⅞	39⅞	−⅛
34½	16¼	Anchor	1.36	4.1	13	8	33¼	33¼	33¼	+⅛
33⅞	25⅝	AnClay	1.32	4.7	13	27	28¼	28⅝	28¼	+⅛
30¼	19¼	Anderln	.19	1.7	14	61	11⅛	10⅞	11⅛	−⅛
35	20¼	Angelic	s.48	2.1	14	180	23½	22¼	22¼	−1
77	58½	Anheus	1.76	2.6	10	526	63¼	63	63¼	−⅛
57¼	48	Anheu	pf3.60	7.3	5		49½	49	49¼	+½
29	19⅛	Anxtr	.24	1.0	32	230	23½	23	23¼	−⅛
26⅞	12½	Anta	.56	2.2	32	59	25	25	25	+⅛
18½	8⅝	Anthny	.44b	3.0	9	13	14½	14½	14½	
18¼	6¼	Apache	.25	2.5	10	651	11¼	10⅞	11¼	+⅛
5	3	ApchP	wt			119	3½	3½	3½	
23¼	18	ApchP	pfC6	9.6		265	22½	22½	22½	
58	50¼	ApPw	pf8.12	13.		210	61	61	61	−½
62½	54¼	ApPw	pf7.40	13.		2110	55¼	55	55	−½
31¼	27¼	ApPw	pf3.80	13.		11	28	d27¼	27¼	−⅛
35½	19½	AppMfg	1.14t	4.2	23	62	27⅞	27	27¼	+⅛
26½	19	ArchDn	.40	7	18	1470	21¼	20⅞	21	
26½	19¾	ArtPS	2.60	13.	8	1136	21¼	20¼	20½	−½
31⅞	26⅞	ArnP	pf3.58	13.	8		27¼	27¼	27¼	−⅛
25⅞	8⅛	ArnBsl			22	435	25¼	25	25½	+⅛
23⅞	16	Arkla	1.04	4.9	14	1239	21⅞	21½	21⅞	+⅛
2¼	11-16	ArmRt				472	13-16	¼	13-16	+1-16
13½	9½	Armada			35	5	11	10¼	11	+⅛
20⅞	14¼	Armco	.40	2.0		870	20¼	19¾	20¼	+⅛
31¼	23¼	Armc	pf2.10	7.3		16	28½	28	28¼	+⅛
44½	29¼	ArmstR	.80	2.3	7	4	34½	33⅞	34¼	+⅛
33⅞	21¼	ArmWin	1.10	4.1	13	701	26⅞	26	26½	−⅛
21⅛	13¼	AroCp	.80	4.0	49	1	20¼	20¼	20¼	+⅛
34	15½	ArowE	.20	.7	12		29¼	29¼	29¼	+⅛
24¼	15¼	Artra	.22	1.2	14		18½	18½	18½	−⅛
30¼	17¾	Arvin	1.12	4.4	14	115	26½	25½	25½	−⅛
32⅞	20	Asarco	.40	1.3	37	288	30⅞	29¼	29¼	−⅛
38	24¼	AshOil	1.60	5.0	12	166	26½	26½	26¼	
41⅛	36⅞	AshOil	pf4.50	12.		6	38	38¼	38¼	−⅛
43½	34½	AshOil	pf3.98	10.		10	39¼	39¼	39¼	+½
41½	41	AsdDG	2.20	3.7	11	405	51½	58	59½	−2½
114	66	AsdD	pf4.75	4.6		13	98½	98	98	
26	15½	Athlone	1.60	6.6		303	24½	24¼	24¼	−⅛
25⅞	19¼	AtCyEl	2.36	10.	7	65	23½	23¼	23½	+⅛
2	1½	AtlMtro	.08e	5.6		167	1½	1½	1½	+⅛
52⅞	37	AtlRch	2.40	5.9	7	4039	40¼	40¼	40¼	−⅛
39½	34	AtlRc	pf3.75	11.		2100	35	35	35	
125½	85	AtlRc	pf12.80	2.9		3	98¼	98½	98¼	−⅞
30	18¼	AtlasCp	.50	2.7	6	61	18½	18½	18½	−⅛
47½	29¼	Augat	.32	.8	33	62	40	39½	39¾	+⅛
44½	32¼	AutoDt	.56	1.7	18	617	33½	33½	33½	−⅛
36⅞	25¼	AvcoCo	1.20	3.9	9	210	31⅞	30⅞	31¼	−⅛
24¼	13¼	AVEMC	.58	2.9	13	1	20¼	20¼	20¼	
54⅞	34½	Avery	.36	1.7	16	9	52¼	51½	52	+⅛
50	29¼	Avnet	4.50	11.	31	1246	45	44¼	45	+⅛
36⅞	21¼	Avon	2	6.0	10	3435	35¼	34½	35	+⅛
25	16½	Avco	1.15	5.8	47	139	19⅞	19¼	19⅞	+⅛
62½	33¼	Avdel			12	195	37¼	36¼	37¼	+⅛

Kidder, Peabody Securities
Limited

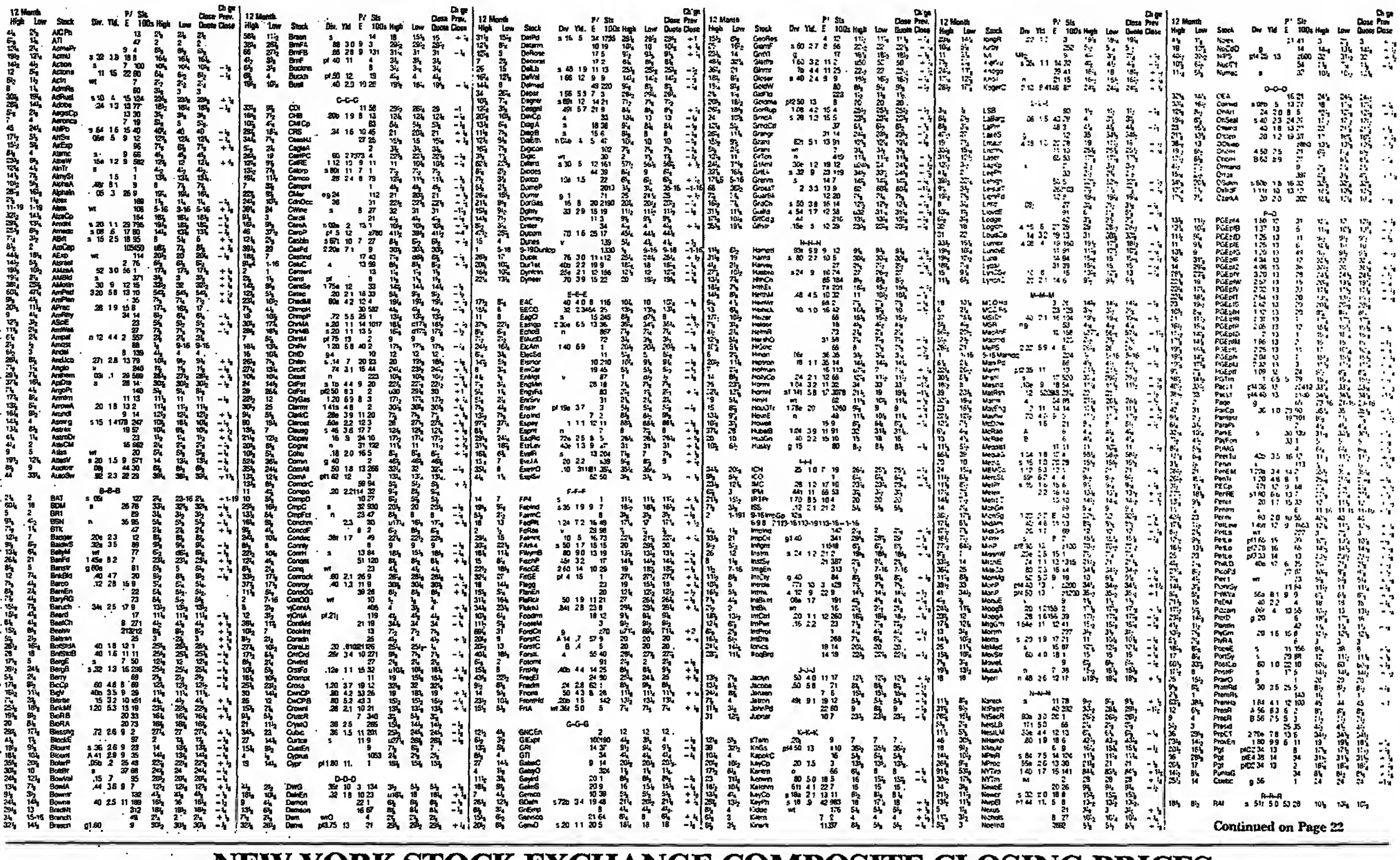
Market Makers in Euro-Securities

An affiliate of
Kidder, Peabody & Co.
Incorporated
Founded 1865

New York • London • Paris • Geneva • Zurich • Hong Kong • Tokyo

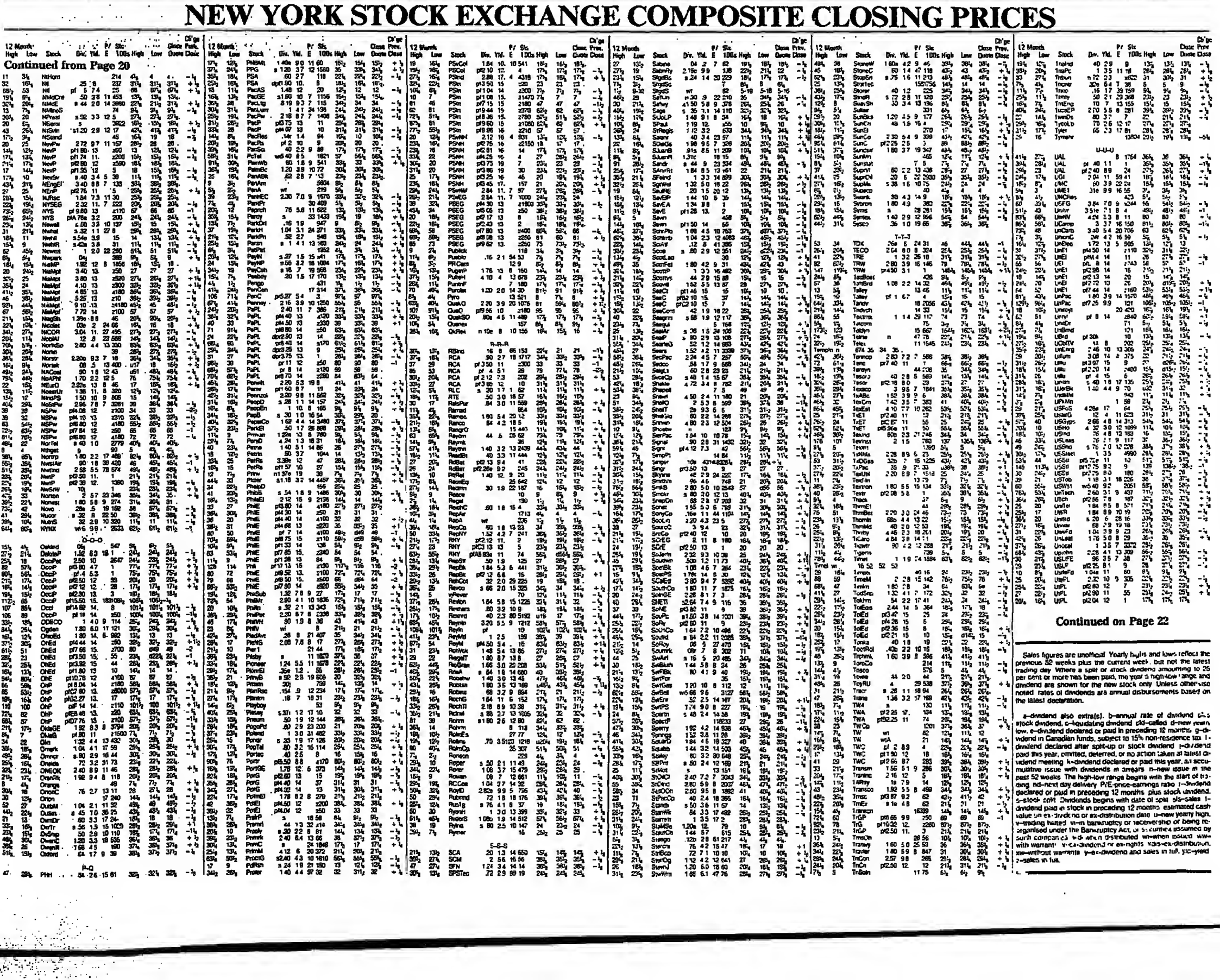
12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
		B-B-B								
27⅞	17⅛	BMC	n.40	2.1	12	67	19	18½	18⅝	−⅛
29½	22½	Baemco	.60	1.8	11	711	38	37⅞	37⅞	+⅛
35⅞	16	Baintnt	.92	5.1		1253	18½	17⅞	18	+⅛
27½	20	Baldor	.32	1.2	23	17	26½	26½	26½	+⅛
37⅞	2⅛	BaldwU	.22j			1320	2⅝	2½	2½	
110¼	7¼	BldU	pf.52k			10	10⅝	10¼	10⅝	+⅛
36⅞	25⅛	BallCp	1.16	3.6	10	16	32½	32¼	32¼	+⅛
28½	19⅝	BallyMf	.20	1.0	20	478	20⅝	19½	20	−⅛
26⅞	6¼	BallyPk				16	50	13¼	12⅞	−⅛
34¼	27¼	BaltGE	3	9.8	7	125	31	30⅞	30¾	
31⅞	26⅞	BnOne	n.96	3.5	10	146	28	27	27¼	
47½	19½	BanCal	1.20	2.6	8	231	45¾	45½	45¾	
11⅞	8⅞	BncCir	n.28e	3.2		1	8⅞	8⅞	8⅞	
7⅞	5⅛	BanTex	.20	3.5	41	216	5¾	5¼	5¼	
59¼	36⅞	Bandag	1	1.8	15	35	55¼	55¼	55¼	
27¼	16¼	BangP	.60	2.9		257	27½	27	27½	
47⅞	32⅞	BkBos	2.32	5.8	5	60	40⅝	40	40	−⅛
33	23¼	BkNY	41.64	5.6	8	360	31½	31½	31½	−⅛
32⅛	21¼	BkOVa	1.52	4.8	6	88	31⅞	31½	31½	−⅛
25½	18	BnkAm	1.52	7.3	8	1584	20¼	20⅛	20⅛	−⅛
60½	48¼	BkAm	pf4.78e	8.7		7	49	48	49	−½
21¼	16	BkAm	pf2.68	14.		86	20	19⅞	20	+⅛
38	20¼	BkAtl	s1.92	7.5	13	13	26½	25¾	26½	−⅛
49⅞	35⅞	BankTr	2.25	5.0	6	637	45⅝	44½	44¾	−⅛
24⅞	22¼	BkTr	pf2.50	11.		2	22¼	22¼	22¼	
41	35¼	BkTr	pf4.22	11.		2	37	37	37	−⅛
12⅞	6¼	Banner	.03e	3.		32	10¼	10½	10½	−⅛
46¼	27⅞	Bard	.40	1.2	15	296	32¼	31¼	32¼	+⅛
26⅞	16¼	BarnGp	.80	2.8	56	3	23½	23½	23½	−⅛
22⅞	16	Barnet	1.20	3.1	9	862	39¼	38¼	38¼	−⅛
45¼	30½	Barnt	pf2.38	5.7		134	41½	41¼	41½	
32	18	BarrWr	.48	1.5	23	61	31½	31½	31½	−⅛
14½	6⅞	BasRes	.10e	.9	13	52	11½	11½	11½	−⅛
30⅞	19¼	Bausch	5.76	3.0	22	508	26¼	25¾	25¾	−⅛
31¼	20	BaxTr	s.28	1.2	15	3625	23	22¼	22¾	−⅛
20½	11⅞	BayFin	.05e	3.	7	77	19⅞	18¼	18¼	−⅛
24¼	20¼	BayStG	2.48	11.	106	43	22¼	21¼	22¼	−½
31¼	20¼	Bearng	1	2.5	27	102	39½	39¼	39½	
33¼	21½	BeatFd	1.80	5.0	10	1986	31⅞	31⅞	31⅞	−⅛
31	30¼	BeatF	wd			53	u31¼	31½	31⅞	+⅛
41¼	31	Beatr	pf3.38	5.7		20	58¼	58¼	58¼	−⅛
63½	32	BecnD	1.15	3.2	21	813	36⅞	35¾	35¾	+⅛
34	9½	Bekar				322	9¼	9¼	9¼	
82	40	BelchH	.40	1.0	14	4	40	40	40	−⅛
25¼	21¼	BellAtl	s.50	2.1	11	775	24¼	23½	24¼	+⅛
26⅞	17⅞	BellAtl	pf.60	2.5		655	24¼	24	24	
71¼	65¼	BellAt	wt6.40	0.5		1611	67¼	67½	67½	−⅛
28⅞	18¼	BellSo	qc.18			2006	25¼	24½	25¼	+⅛
23⅞	21⅞	Bellind	.32	.9	22	241	36½	35¾	36¼	+⅛
94¼	84	BellSo	wt7.80	6.2		2191	85¼	84¼	85¼	+⅛
40⅞	36	Belo	n.72	1.6	13	113	40	39½	39½	+⅛
32¼	22¼	Bemis	1.80	4.0	14	4	40¼	40¼	40¼	−⅛
58⅞	38⅞	Bndx	pf4.04	4.9		9	82½	82½	82½	−⅛
32⅞	22⅞	BentCp	2	6.0	11	139	33½	32½	33½	−⅛
34⅞	20¼	Benef	pf4.30	13.		2	33⅞	33⅞	33⅞	+⅛
32	32	Benef	pf4.50	13.		x40	35	35	35	
19¼	17⅞	Benef	pf2.50	13.		x100	19¼	19¼	19¼	
8	5⅛	BengB	25e	4.2	8	228	8¼	8	8	−⅛
7½	4⅞	Berkey			36	174	7⅞	7½	7½	
26¼	15	BestP	s		8	2397	16¼	17⅞	17⅞	+⅛
27¼	18⅛	BethSt	.80	2.2		873	27	26¼	26⅞	+⅛
56¼	43	BethSt	pf.5	8.9		170	56	55¼	56	+⅛
27⅞	24⅞	BethSt	pf2.50	9.2		103	27½	26¾	27½	+⅛
44¼	21¼	Beverly	s.28	1.1	17	1053	25⅞	23¼	25	+1¼
28	16	BigThr	.80	4.2	15	737	19	18⅞	19	−⅛
43¼	30⅞	Binney	1.28	3.8	10	9	33¼	33¼	33¼	
26¼	17⅞	BlackD	.52	1.8	26	5073	u27¼	26½	26½	+⅛
23¼	15⅞	BlkHP	s1.36	5.8	8	62	u23⅞	23	23¼	+⅛
46½	21½	BlanJ	s.56	2.0	12	741	27⅞	27	27¼	
48⅞	35½	BlckHR	2.08	4.3	14	588	48	47⅞	48	+⅛
40	36	BlueB	2	5.3	10	274	38	37¼	37⅞	
48¼	37⅞	Boeing	1.40	3.0	13	2030	46⅞	45¼	46	+⅛
47⅞	34½	BoseC	1.90	4.5	24	143	42⅞	41½	42⅞	+⅛
58¼	50⅞	BoseC	pf5.6	1.		7	56	56	56	−⅛
91	45¼	Borden	2.44	4.3	9	195	56⅞	56⅞	56⅞	+⅛
27¼	16¼	BrgWs	s		13	494	25	24½	24¾	+⅛
33	23¼	BkNY			31	74	7	7	7	−⅛
29½	24¼	BosEd	2.88	10.	7	62	28¼	28½	28½	
75	67	BosE	pf8.88	13.		x660	70½	68	68	−1
10⅞	8	BosE	pr1.17	12.		20	9¼	9¼	9¼	
12¼	10⅞	BosE	pr1.46	13.		18	11½	11¼	11¼	+⅛
26⅞	20⅞	BngSt	1.36a	4.3	20	261	31	29⅞	31	−1
31⅞	23⅞	BrstM	s1.20	2.8	15	2543	43¼	42¼	43¼	+1¼
3⅞	2⅞	BrtLnd				82	4	3⅞	4	+⅛
27¼	16	BrnPt	1.56e	7.0	8	48	22⅞	22¼	22¼	−⅛
11¼	5⅞	Brock	.10	1.5		170	6⅞	6⅞	6¼	+⅛
19¼	15⅞	Brdwy	1.32	7.5	13	18	18⅞	18⅞	18⅞	+⅛
34	27¼	BkUG	2.90	8.7	7	153	33¼	33⅞	33⅞	+⅛
23¼	20½	BkUg	pf2.47	12.		35	21¼	21¼	21¼	+⅛
29¼	24⅞	BrokF	n.18	.8	19	89	26⅞	25½	26¼	+⅛
19½	10⅞	BwnSh	.20	1.1		32	18¼	18¼	18¼	+⅛
38⅞	25⅞	BwnGp	s1.28	4.4	8	586	29¼	28¼	29¼	+⅛
47⅞	32¼	BrwnF	.96	2.2	18	338	43½	42½	43¼	
29⅞	11½	Brnwk	s.60	2.1	50	1756	28¼	28¼	28¼	+⅛
59½	31¼	BrshW	s.88	1.5	23	45	57⅞	57¼	57¼	−⅛
17½	13	BurlEr			44	27	329	18¼	18½	18½	−⅛
20½

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES



Continued on Page 22

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES



Continued on Page 22

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. dd-called. d-new year low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E-price-earnings ratio. r-dividend declared or paid in preceding 12 months plus stock dividend. s-stock split. Dividends begins with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. w-in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd-when distributed. ww-when issued. www-with warrants. x-ex-dividend or ex-rights. xds-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

WORLD STOCK MARKETS

LONDON

Jobbers act to widen oil margins

MARKET MAKERS on the London Stock Exchange moved yesterday to improve their margins on deals carried out in oil shares an action which sparked an immediate row amoog the stockbroking community, *writes John Moore, City Correspondent, in London.*

Costs for investors who buy and sell oil shares in London will rise as a result of the move in which stockjobbers, the market makers, will widen the spread between the selling and buying price of five oil shares in their dealings with the brokers acting on behalf of clients.

In the now arrangement, the margin between the two prices will be raised from 4p to 5p on shares in BP, Britoil, Shell and Tricentrol, while on the shares of Burmah Oil the spread will be widened from 2p to 3p.

Mr Charles Hue Williams, a partner with stockjobber Wedd Durlacher, said yesterday that the move had been made "to take accouot of the extreme volatility in oil stocks. Everybody is disappointed."

Stockbroking specialists in oil stocks were particularly upset. "We don't think it is really necessary," said one firm. "They should have consulted with the brokers and institutions beforehand," said another firm, which added, "it is a reflection of the present structure of the stock market that they can do this sort of thing."

Brokers argued that the present separation of stockbroking and stockjobbing functions meant that jobbers were largely protected from commercial pressures. "They have just taken advantage of the current system," said another firm. It predicted that such actions would end when dual capacity, or an overlap of functions between the brokers and jobbers, was introduced.

● The council of the London Stock Exchange will consider today its final rules for allowing its member firms to set up international dealing companies in which outsiders will be allowed to participate. It will also consider its final list of outside candidates for five places on the council.

EUROPE

Continued from Page 19

The bond market was mixed, with an easier bias in foreign bonds, although domestic issues were mostly higher.

Good performances by some holding companies and retail stocks helped Brussels higher. Among these, Copega rose BFr 85 to BFr 3,110, while Sofina added BFr 70 to BFr 5,270.

In Stockholm, shares were broadly lower with many institutions having already closed their books for the year.

Bolidon, which announced agreement with Combustion Engineering of the U.S. to form a joint company for marketing and development of Bolidon's pig-iron production process, shed SKr 8 to SKr 372.

Meanwhile, the Swedish parliament approved a 1 per ceot turnover tax on share dealings, which will also be levied on foreign investors. But dealings in non-Swedish shares between foreign investors will be exempt.

In Milan, renewed pressure on Italmobiliare group issues pushed the market lower in thin trading, as speculators opened short positions for the new account. Italmobiliare shed L2,220 to L36,750.

CANADA

Stock	Dec. 16	Dec. 15
AMCA Intl	24¼	24¼
Abitibi	25	23
Agnico Eagle	17½	17½
Alberta Energy	18	18
Alcan Aluminium	47¼	47¼
Algoma Steel	29	28¼
Asbestos	10¼	10½
Bk. Montreal	27½	27¼
Bk. Nova Scotia	43¼	43⅝
Bell Canada	51	51
Bombardier	18½	19½
Bow Valley	25¼	25⅞
BP Canada Res	22½	22¼
Brascan A	38⅛	38
Bruncor	2.82	2.82
B.C. Forest	15⅛	14
CIL Inc	30¼	30½
Cadiste Fairview	9⅞	10
Campbell Redlk	30¼	31¼
Can Cement Pf	14¼	14
Can NW Energy	26½	28½
Can Packers	27⅞	27½
Can Trustco	44¼	44⅛
Can Imp Bank	51¾	52
Can Pacific	31⅝	32
Can. Pac. Ents	28⅛	25½
Can Tire A	12⅝	85
Cant R	O'Keefe	21⅛	21¼
Chieftain	15	15¼
Cominco	58¼	58¼
Cons Bathurst A	26¼	26½
Copper Lake	2.10	2.10
Cosmos Res	3.50	3.60
Cortain	8⅛	18
Denison Mines	46⅛	47
Dofasco	32⅛	32½
Dome Mines	18½	18¾
Dome Petroleum	4.20	4.25
Dominion Strs	18⅛	12
Domtar	38¾	38⅛
Falconbridge	74¼	75
Genstar	30⅛	30⅝
Giant Yellknife	8.31	8.31
Gt West Lifc	2.75	2.75
Gulf Canada	10¼	10⅝
Hawk Sid. Can	16½	16½
Hudson's Bay	34⅝	34¼
Husky Oil	10¼	10⅝
Imasco	35¼	35¼
Imp Oil A	57	57
Inco	17¼	17⅛
Indal	15¼	13
Inter Pipe	33	33½
LAC Minerals	30	30¼
Macmil. Bloedel	29⅛	28⅞
Marks & Spencer	16	18
Massey Ferg	3⅞	6
McIntyre Mines	36⅛	35
Mitel Corp	17⅝	18
Moore Corp	35	34
Nat. Sea Prods A	7⅝	7⅝
Norande Mines	26⅝	28½
Norcen Energy	15⅛	15⅝
Nthn. Telecom	30½	30⅞
Nova Alberta	7¼	7⅛
Numac Oil	13¼	13
Oakwood Pet	8	6¼
Pan Can. Pet	25	24¼
Patine	10	10
Placer Dev	22¼	22⅞
Power Corp	19⅝	18⅝
Quebecsturgeon	7¼	7½
Ranger Oil	15⅝	13⅝
Reed Stenhe A	12¼	13⅝
Rio Algom	19	12¼
Royal Bank	33⅞	34
Royal Trusco A	26½	26⅛
Scastre Res	5.00	5⅛
Seagram	45⅛	43⅝
Shell Can Oil	23⅛	22¾
Simpson Sears A	11⅝	11⅝
Steleo	29⅝	29⅛
Teck B	10½	10¼
Texaco Canada	40⅛	40⅛
Thomson News A	38	38⅛
Toronto Dom Bk	16	18⅛
Transalta	21½	21⅝
Trans Can Pipe	31⅛	31⅝
Walker Hiram	27¼	27¼
Westcoast Trans	13¼	13¼
Weston (Geo)	64½	65

AUSTRIA

Dec. 15	Price Sch%	+ or —
Creditanstalt	210	−2
Doesser	818	−1
Interunfall	400	−3
Lenzerbank	815	+3
Perlmooser	311	.....
Steyr Daimler	150	+2
Vetscher Mag	211	+3

BELGIUM/LUXEMBOURG

Dec. 16	Price Frs.	+ or —
ARBED	1,150	−30
Banq Int A Lux	4,750	.....
Bekaert B	8,500	+130
Ciment BR	2,050	−20
Cockerill	156	+1
Delhaize	4,640	+40
EBES	2,500	+50
Electrobel	5,400	+90
Fabrique Nat	2,180	+35
GB Inno BM	3,190	+10
GBL (Brux)	2,855	−10
Gevaert	3,995	−5
Hoboken	5,610	+30
Intercom	7,850	+15
Kredietbank	5,110	+80
Pan Holdgs	3,020	−30
Petrofina	5,350	+10
Royale Belge	7,200	+100
Soc. Gen. Banq	2,590	.....
Soc. Gen. Belge	1,643	−30
Sofina	6,270	+70
Solvay	3,470	−20
Tractionel	3,410	+85
UCB	4,850	−80
Vieille Mont	3,400	.....

DENMARK

Dec. 19	Price Knr	+ or —
Aerhue Olie	483	+5
Andelsbanken	394	+7
Baltica Skand	366	+6
Cop Handelsbank	294	+7
D. Sukkerfab	663	−4
Danske Bank	817	+8
East Asiatic	157	+5
Forende Bryg	1,320	.....
Forende Damp	184	+9
GNT Hldg	650	+10
I.S.S. B	700	−10
Jyske Bank	608	+18
Novo Ind	1,185	.....
Privatbanken	996	+8
Provinsbanken	314	+7
Smidth (F)	977	+7
Sophus Berend	960	+6
Superfos	816	+5

GERMANY

Dec. 19	Price Dm.	+ or —
AEG-Telef	75.5	+5.5
Allianz Vers	809	+13
BASF	166.7	+0.8
Bayer	166.8	+5.5
Bayer-Hypo	231	+5
Bayer-Vereis	310	+1
BHF-Bank	270	+0.5
BMW	228.5	−0.5
Brown Boveri	225	+0.5
Commerzbank	164	+0.5
Conti Gummi	110.7	−0.3
Daimler-Benz	657xr	.....
Degussa	377.5	+1.5
Demag	148	.....
Dresdner Bank	185	+1.7
Feldmuehle	316.5	+3.1
GHH	141.5	−0.2
Hoechst	452	+14
Kali und Salz	176.2	+1.6
Karstadt	240.5	+2.5
Kaufhof	368	+3
KHD	268	+6
Klockner	38.3	.....
Krupp	31.6	+0.5
Linde	388	+3
Lufthansa	143.5	+2.5
MAN	136.5	+1.5
Mannesmann	138.9	+1.9
Mercedes Hld	523	+0.5
Metallgesell	214	+5
Muenchen Rueck	1,000	−20
Preussag	270.3	+0.5
Rhein West Elect	173	+0.4
Rosenthal	284	+0.5
Schering	368	+5.3
Siemens	379.4	+3.4
Thyssen	77	+1.5
Varta	176.5	−2.5
Veba	107.5	+0.2
V.E.W.	118.5	+0.5
Vorein-West	206	.....
Volkswagen	202.1	−0.5

FRANCE

Dec. 12	Price Frs.	+ or —
Emprunt 4½% 1973	1,830	−20
Emprunt 7% 1973	2,370	−29
CNE 3%	3,099	+4
Air Liquide	506	+0
BIC	522xc	+4
Bouygues	460	−2
BSN Gervais	2,520	+1
CIT-Alcatel	1,360	+10
Carrefour	1,296	+15
Club Mediter'n	743	−2
CFAO	548	+8
Cie Bancaire	407	+4
Cofimeg	182.1	+1.1
Creusot Loire	44	+1.1
Dary	736	+11
Dumez	849	+7
Eaux (Cie Gen)	626	−11
Elf-Aquitaine	161.9	−5.1
Gen. Occidental	671	+5
Imetal	67.5	.....
Lafarge Coppee	278.5	+6.5
L'oreal	9,090	.....
Lagrand	1,986	.....
Moisons Phenix	532	+1.4
Malre	1,240	.....
Michelin B	768	+34
Midi (Cie)	1,361	.....
Moet-Hennessy	1,374	+8
Moulinex	102	−0.9
Nord Est	47.4	−1
Pernod Ricard	715	−5
Perrier	1,030	−10
Petroles Pe	169	−1
Peugeot-SA	300.5	−0.5
Poclain	68.6	.....
Printemps Au	158.8	.....
Radiotech	484	−3
Rodoute	989	−0
Roussel-Uclaf	590	−5
Schneider	86.6	+0.4
Sefimeg	950	−1.8
Skis Rossignol	1,306	−7
Telemech Elect	1,550	−8
Thompson (CSF)	126	−1
Valeo	308	+5

ITALY

Dec. 19	Price Lire	+ or —
Banca Com'le	26,450	+150
Bastogi-Ires	124.4	−7.5
Centrale	1,190	+20
Credito Varesine	3,855	−5
Fiat	5,870	−67
Finsider	46	−2
Ocneraie (Assic)	132,500	−500
Invest	5,870	.....
Italcemento	38,000	−2500
Montedison	210.4	−3
Olivetti	3,800	+45
Pirelli Co.	2,590	−19
Pirelli Gas	1,450	+25
Snia BPD	1,233	−10
Toro Assic	11,450	+40
de. Priv	7,630	−130

NETHERLANDS

Dec. 19	Price Fls.	+ or —
ACF Holdng	186.0	+0.6
Aegon	114	.....
Ahold	183	−0.5
AKZO	90.4	+0.2
ABN	380	+8.5
AMEV	150.5	+0.5
AMRO	60.9	+1.2
Bredero Cert	179	.....
Boskalis Westm	40.5	+0.5
Buhrmann-Tet	67	.....
Caland Hldgs	34.5	+1.5
Credit Lyon'a Bk	41.2	+0.7
Elsevier-NDU nv	479	+6
Olst. Brocades	163	+0.5
Heineken	124	−0.4
Hoogovens	40.3	+0.4
Nunier Douglas	21.4	+0.1
Int Mullor	33.5	+0.0
KLM	150.5	−0.5
Naarden Intl	40.4	+0.8
Nat Ned Cert	122.5	+2.5
Ned. Credit Bank	33.7	+1.4
Ned Mid Bank	140	+1.5
Nedlloyd	108.8	+0.7
Oce Grinten	235	+2.5
Ommeren (Van)	29	−0.2
Pakhoed	83.5	+1.5
Philips	43.3	+0.9
Rijn-Schelde	4	+0.1
Robeco	324.5	−1.5
Rodamco	122.6	.....
Rolinco	312.5	−1
Rorento	198.5	−0.2
Royal Dutch	134.5	−0.4
Unilever	248	−0.5
VMF Stork	89.5	+2
VNU	181.5	−0.5
Wert Utr Bank	111	−2

SWEDEN

Dec. 19	Price Kronor	+ or —
AGA	360	−6
Alfa-Laval	278	.....
ASEA (Free)	395	−0
Astra (Free)	565	−16
Atlas Copco	113	−0
Boliden	372	−0
Carde	345	.....
Cellulosa (Free)	156	−6
Electrolux B	235	−9
Ericsson	403	−12
Esselte (Free)	292	+7
No Coh Domsjo	395	−15
Pharmacia (Free)	298	.....
Saab-Scania	279	−5
Sandvik B (Free)	590	−9
Skandia	475	.....
Skan Enskilda	990	−4
SKF D	168	−3
St. Kopparberg	642	−3
Svenn Handelsbn	195	−2
Swedish Match	260	−9
Volvo B (Free)	486	−10

NORWAY

Dec. 10	Price Kroner	+ or —
Bergens Bank	132	−1
Borregaard	188	+0.5
Christiania Bk	141	+1
Den Norsk Credit	147.5	−0.5
Elkem	122	+5
Norsk Data	268	+5
Norsk Hydro	467.0	−2.5
Storebrand	175	.....

SPAIN

Dec. 10	Price Ptas	+ or —
Bco Bilbao	353	.....
Bco Central	266	.....
Bco Exterior	198	.....
Bco Hispano	81.0	.....
Bco Santander	252	.....
Bco Vizcaya	313	.....
Dragados	110	.....
Hidrola	46	.....
Iberduero	43.2	.....
Petroleos	99.5	.....
Telefonica	80	.....

SWITZERLAND

Dec. 18	Price Frs.	+ or —
Alusuisse	810	.....
Bank Leu	4,285	+15
Brown Boveri	1,350	−5
Ciba Geigy	9,360	.....
do. (Part Certs)	1,860	+10
Credit Suisse	2,265	.....
Elektrowatt	2,350	−50
Fischer (Geo.)	685	+5
Gornovoise	3,750	.....
Hoff-Roche Pt Cts	107,250	+250
Hoff-Roche 1/10	10,725	.....
Jacobs Suchard	6,525	+35
Jelmoli	1,310	+10
Landis & Gyr	1,495	+10
Nestle	4,815	−5
Oer-Buehrle	1,230	+0
Pirelli	285	+3
Sandoz (Br)	7,395	+5
Sandoz (Pt Cts)	1,180	−15
Schindler (Pt Cts)	445	−5
Swissair	960	.....
Swiss Bank	314	−2
Swiss Reinsce	7,850	+50
Swiss Volksbk	3,435	−5
Union Bank	3,470	.....
Winterthur	3,380	+40
Zurich Ins	12,050	−85

AUSTRALIA

Dec. 19	Price Aust. $	+ or —
ANZ Group	5.8	−0.05
Acrow Aust	1.45	−0.0
Alliance Oil D	0.88	−0.02
Ampol Pet	3.75	+0.05
Aust Cons Ind	1.97	.....
Aust. Guarant	3.9	.....
Aust. Nat. Inds	2.65	−0.01
Aust. Paper	2.35	.....
Bond Hldgs	1.28	+0.05
Boral	3.3	−0.05
B'villa Copper	2.48	−0.07
Brambles Inds	3.31	−0.01
Brid a Oil	3.25	−0.05
BHP	14	+0.3
CRA	5.8	−0.04
CSR	3.93	−0.02
Carlton & Utd	3.9	.....
Castlemaine	3.2	.....
Coles (G.J.)	4	+0.05
Comalco	3.0	.....
Consolidated Pet	0.61	−0.01
Costain	1.3	.....
Dunlop	1.7	.....
E.Z. Ind	6.2	.....
Elders IXL	4.3	−0.2
Energy Res	1.69	.....
Gen Prop Trust	2.12	−0.01
Hardie (J.)	6.65	−0.03
Hartogen Energy	2.68	−0.02
Herald & Ty Times	3.1	+0.05
ICI Aust	2.27	+0.05
Jimb'iada (50c PP)	0.27	.....
Kia Ora Gold	0.10	.....
Lend Lease	4.92	+0.02
MIM	5.72	−0.01
Mayne Nickless	2.57	+0.05
Meekatharra	1.2	.....
Myer Emp	1.97	−0.01
Nat.Com.Bk	3.7	−0.05
News	10.2	+0.3
Nicholas Kiwi	3.2	.....
North Bkn Hill	2.15	−0.05
Oakbridge	1.15	.....
Otter Expl	0.81	.....
Pancon	1.25	−0.02
Pioneer Conc	1.67	−0.02
Reckitt & Colm	2.65	.....
Repco	1.29	+0.02
Santos	7.78	+0.15
Smith (H.)	4.25	−0.05
Southland Min'g	0.85	+0.01
Swanpro Expl	0.40	−0.02
Thos. Nationwide	3.17	+0.02
Tooth	5.02	+0.02
UMAL Cons	3.49	+0.09
Vamgas	0.3	−0.05
Western Mining	4.25	.....
Westpac	3.88	+0.01
Woodside Petrol	1.8	.....
Woolworths	2.72	.....
Normald Intl	3.1	+0.05

HONG KONG

Dec. 19	Price H.K.$	+ or —
Bank East Asia	12.3	.....
Carrian Invest	0.87	.....
Cheung Kong	6.95	.....
China Light	11.0	−0.1
Hang Lung Devel	2.47	.....
Hang Seng Bank	56.75	−0.5
HK Electric	5.4	+0.05
HK Kowloon Wh	3.6	.....
HK Land	2.85	−0.05
HK Shanghai Bk	6.2	.....
HK Telephone	34	−0.25
Hutchison Wha	14.3	.....
Jardine Math	11	−0.5
New World Dev	8.7	.....
Orient O'seas	2.67	.....
O'seas Trust Bk	2.7	.....
SKH Props	4.65	−0.1
Swire Pac A	24.8	−0.1
Wheel'k Mard A	3.9	−0.02
Wheel'k M'time	1.78	.....
World Int. Holdgs	1.0	.....

JAPAN

Dec. 19	Price Yen	+ or —
Ajinomoto	1,110	+50
Alps Electric	3,070	−50
Amada	962	−13
Asahi Chem	400	+2
Asahi Glass	690	.....
Bridgeston	398	−9
Canon	1,560	−50
Casio Comp	1,490	−20
Chugai Pharm	970	−5
Citizen	559	−21
Daiei	555	+4
Dai Nippon Pig	898	−20
Daiwa House	498	−14
Ebara	320	−4
Eisai	1,190	.....
Fanuc	9,950	−150
Fuji Bank	500	.....
Fuji Film	2,010	−70
Fujisawa	873	.....
Fujitsu	1,290	−40
Green Cross	1,600	.....
Hasegawa	403	+6
Heiwa Real Est	598	+1
Hitachi	790	−6
Hitachi Credit	1,190	−10
Honda	1,070	−50
House Food	850	−15
Hoya	3,490	+80
Ito Yokado	977	−5
Itoh (C.)	1,750	−90
Iwatsu	1,130	−20
JACCS	330	.....
JAL	3,340	.....
Jusco	817	.....
Kajima	310	−1
Kao Soap	541	+12
Kashiyama	655	+5
Kirin	498	−2
Kokuyo	879	−1
Kometsu	827	+4
Konishiroku	635	−12
Kubota	300	−3
Kumagai	180	.....
Kyoto Ceramic	9,100	−10
Maeda-Const	491	−5
Makino Milling	1,350	−20
Makita	1,150	−30
Marubeni	270	−2
Marudai	611	+1
Maruzen	1,190	+10
MCI	1,370	−50
M'ta Elec Works	605	+1
M'bishi Bank	500	.....
M'bishi Corp	640	−4
M'bishi Elec	405	−7
M'bishi Estate	466	−10
M'bishi Oil	356	−0
Mitsui Co	349	−4
Mitsui Estate	795	−11
Mitsukoshi	540	.....
NGK Insulators	643	+7
Nihon Cement	206	−2
Nippon Denso	1,790	−10
Nippon Elect	3,420	−50
Nippon Express	363	−3
Nippon Gakki	603	−7
Nippon Kokan	126	−2
Nippon Oil	696	−22
Nippon Seiko	388	−9
Nippon Shinpan	671	+5
Nippon Steel	164	.....
Nippon Suisan	312	+2
NTV	7,000	+190
Nippon Yusen	355	−3
Nissan Motor	750	−1
Nisshin Flour	450	−19
Nissin Steel	164	−1
Nomura	668	−13
Olympus	1,070	−30
Onward Tatsei	2,080	.....
Orient Leasing	2,300	.....
Pioneer	3,540	−50
Radown	641	−11
Ricoh	1,140	−40
Sankyo	956	−2
Sanyo Elect	546	−4
Sekisui Chem	636	+1
Sekisui Prefab	557	−1
Seven-Eleven	5,720	−100
Sharp	1,400	−30
Shimadzu	615	−15
Shinetsu	738	−5
Shiseido	1,060	−30
Sony	5,480	+30
Stanley	798	−7
Sumito Elect	794	.....
Sumo Marine	258	+3
Sumo Metal	182	−1
Taisei Dengyo	586	−6
Taisei Corp	217	−1
Takeda Pharm	815	−5
Takeda	715	.....
TDK	6,380	−90
Teijin	381	−6
Teikoku Oil	745	.....
Tokio Marine	588	−8
TBS	854	.....
Tokyo Elect Pwr	1,010	−25
Tokyo Gas	129	−1
Tokyo Sanyo	548	−12
Tokyo Style	270	−1
Tokyu Corp	298	+1
Toppan Print	585	.....
Toray	501	−1
Toshiba	394	−6
TOTO	558	+8
Toyo Seikan	445	−5
Toyota Motor	1,440	−30
Victor	5,170	−40
Wacoal	701	−7
Yamaha	450	−5
Yamanouchi	1,640	.....
Yamazaki	733	−10
Yasuda Fire	321	+5
Yokogawa	433	+8

SINGAPORE

Dec. 19	Price $	+ or —
Bhuatasal Bhd	2.82	+0.02
Cold Storage	5.25	−0.05
DBS	10	+0.05
Fraser & Neave	6.5	.....
Genting	4.96	+0.02
Haw Par	3.25	.....
Inchcape Bhd	2.95	.....
Keppel Shipyard	5.0	−0.02
Malay Banking	9.R.	−0.05
Malay Brew	7.05	.....
Multi Purpose	1.83	−0.01
OOBC	11.5	.....
OUB	4.0	−0.02
Sime Darby	2.59	−0.01
Straits Sr'mship	1.03	−0.02
Straits Trdg	6.15	+0.05
UOB	5.75	−0.05

SOUTH AFRICA

Dec. 19	Price Rand	+ or —
Aberfoyle	2.80	.....
AE & CI	0.0	+0.05
Anglo Am Coal	24	.....
Anglo Am Corp	19.2	−0.0
Anglo Am Gold	129	−1
Barclays Bank	19.20	.....
Barlow Rand	1.95	.....
Buffels	66.25	−2
CNA Gold	2.5	.....
Currie Finance	4.4	.....
De Beers	8.9	−0.1
Drielontein	56.5	−0.75
FS Geduld	43	−1
Gold Fields S.A.	24	−0.25
Highveld Steel	5.15	.....
Kloof	10.75	.....
OK Bazaars	20.75	+0.25
Protea Holdgs	3.3	.....
Rembrandt	12.5	.....
Reunites	14.5	.....
Rustenburg	12.0	.....
Sage Hldgs	3.75	.....
SA Brews	7.50	.....
Smith (C.G.)	24	.....
Tongaat Hulett	3.5	.....
Unisec	5.13	+0.05

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. ‡ Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 21

72 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close	Ch'ge Prev Close
18	10½	REDM			9	40	13¼	13	13	.....
35⅞	27¾	RSIT	2.20	8.8	16	13	33¼	32½	33¼	+⅛
9	4⅛	RAXSEI			26		6¼	6¼	6¼	−¼
7½	4⅝	RSC			11	200	5½	5¼	5¼	+¼
17½	8	RTC	.48	5.6	6	37	8½	8⅛	8½	−¼
18½	11½	Ragan	.12e	8	22	1	16⅛	16	16	−⅛
29½	19½	RnchE	s .10	4	13	27	22½	21¼	22⅛	+⅛
26¾	14½	Ransbg	.72	3.8	25	x117	18⅛	18⅛	18⅛	+⅛
6⅝	3½	Ratliff			58		3¼	3½	3⅛	.....
14⅛	6	Raven	.34	2.5	13	4	13⅝	13¼	13⅝	+⅛
33½	18⅝	Raymin	.26	.8	10	325	27½	27¼	27½	+3
8⅝	6	RtmCT			16	13	7¼	6⅞	7	+⅛
7½	3⅛	Rehmnt				67	4¼	4⅛	4⅛	+¼
13½	6⅝	RegB	s		20	11	12⅝	12⅝	12⅝	.....
15⅛	6⅛	RepGy	s .50	3.0	15	84	u16½	15¼	16½	+1⅛
53¼	21¼	Resrt A			14	225	36¼	35½	35⅝	−⅞
17¼	1⅝	Resrt	wt			827	3½	2⅞	2⅞	−½
58½	23¾	RestB			14	2800	37½	37	37	.....
11¼	5⅛	RestAsc			10	25	8	7¾	7¾	−⅛
5⅞	2⅞	RexNor			24	34	4	4	4	−½
21	9½	RbknP	.20	1.6	6	272	13	12⅛	12⅝	−⅛
6½	2	RchTC	v		7		2¼	2¼	2¼	.....
10	5⅞	RTC	pfc			65	5½	5	5½	−½
16⅞	10	RioAlg	s .50		1		15	15	15	−¼
3⅛	1⅞	RioGOr			76		2	d1⅞	1⅞	−⅛
44¼	16⅝	Rolway	1	2.9	21	105	34⅛	34	34¼	+⅛
37¼	16¼	Rogers	12	.4	33	10	33	32¼	33	+½
5⅞	2⅞	Romco			14		2¼	2¼	2¼	−⅛
6½	2⅛	RoyPlm			8		3½	3½	3½	.....
26⅝	17⅞	Ruback	.56a	2.2	19	1	25½	25½	25½	+¼
5⅝	2½	RBW			5		4½	4⅛	4⅛	−⅛
18¼	12½	Russ	s .30	1.9	13	69	16⅛	16	16	.....
16¼	9⅝	Ryknt	.50	3.3	13	17	15⅝	15½	15⅝	−⅛
			S-S-S							
8½	4¼	SFM			1		5¼	5¼	5¼	+⅛
13¼	7¼	SGL	s .26b	2.0	17	68	13¼	12⅞	13¼	+1/2
9½	4½	SMD			29	113	4¼	4¼	4½	−⅛
18¼	7⅛	Sage			9	88	13¼	13¼	13⅛	−⅛
12½	9⅛	Salem	.40	4.0	7		10¼	10¼	10¼	.....
5¼	2¼	SCarlo	.05e	1.7		15	3¼	3	3	.....
7¼	6½	SDgo	pf .88	13	9	7	6⅛	6¼	6¼	.....
8¼	6½	SDgo	pf .90	12		1	7¼	7¼	7¼	.....
81	70½	SDgo	pf9.84	13		2150	75¼	74¼	75¼	−¼
65	57	SDgo	pf7.80	13		2200	60	59¼	59¼	+1
61	18¼	SDgo	pf2.47	13		8	19¼	19¼	19¼	.....
37⅛	34	SDgo	pf4.65

مكتبة الأصل

LONDON STOCK EXCHANGE

MARKET REPORT

Seasonal considerations affect trade but equity index closes at a new all-time peak

Account Dealing Dates

*First Dealings	Option Declarations	Last Dealings	Account Day
Dec 12	Dec 22	Dec 29	Jan 9
Dec 30	Jan 12	Jan 13	Jan 23
Jan 16	Jan 26	Jan 27	Feb 6

* "New-time" dealings may take place from 9.30 am two business days earlier.

London equity markets started the run up to the Christmas holiday in quietly festive mood yesterday. Most blue chip industrials found genuine investment demand lacking as seasonal influences took greater hold but this failed to stop the Financial Times Industrial Ordinary share index attaining a new all-time peak. Government stocks also passed a fairly inactive session, but quotations improved helped by a more stable pound.

Sentiment in equities was underpinned by the latest CBI report and its inference that the UK economic recovery will gain momentum during the first quarter of next year. Wall Street's steadier showing on Friday also induced confidence and, although the volume of business contracted as Christmas festivities increased, leading shares edged higher.

The Financial Times Industrial Ordinary share index showed a fresh rise of 1.7 at 10 am and slowly extended the gain to close 2.8 up on the session at a record 762.1. Bowater provided the base for the fresh assault on the new peak, closing 10 better at 253p after 256p, on buying fuelled by a week-end Press suggestion that the group is to receive a U.S. re-rating and could be high on American investors' New Year lists for the ADR facility.

Elsewhere, the main interest was provided by situation stocks. Yet another bid for an investment trust — Britannic Assurance's agreed offer for Midland Trust—was an early talking point and prompted a jump of 65 in MT's share price to 200p. Quoted stockjobbers, Smith Bros opened sharply higher at 82p in response to last Friday's late announcement that N. M. Rothschild, the merchant bank, is to take a 29.9 per cent stake in the company, but drifted back to close at 77p.

Talk of a U.S. predator entering the battle for Eagle Star lifted the latter's shares to a new peak of 732p before a close of 8 up on balance at 728p. The Harrods bomb outrage at the week-end prompted early caution among Stores but the closing tone was steady-to-firm with House of Fraser higher on the day.

Gilts took heart from sterling, which continued its more stable trend yesterday. Quotations gained ground in thin trading, although dealers kept a watchful eye on events across the Atlantic and the effect on financial markets there of last week's $5.5bn rise in U.S. money supply. Longer-dated there of last week's $5.5bn rise in U.S. money supply. Longer-dated stocks recorded gains ranging to ¼, but shorter maturities were only around ⅛ dearer. The FT Government Securities Index regained much of last week's fall to close 0.30 up at 82.64.

Home Banks steadier

Having had the weekend to digest Friday's disclosure of the property loan losses of its U.S. subsidiary Crocker National Bank, Midland Bank traded on a steadier note but, at 385p, managed to regain only 7 of Friday's fall of 55. Lloyds, 543p, and NatWest, 643p, both improved 5, but Barclays closed unchanged at 485p. Among Merchant Banks, renewed selling in the absence of the much-rumoured U.S. bid for the company left Hill Samuel 18 down at 312p.

Investors displayed renewed confidence in Grand Metropolitan, which rallied 10 to 348p in anticipation of excellent preliminary results on Thursday. Other major Breweries made small headway in quiet trading, but regional counters were out of favour again. Further consideration of last Friday's interim statements clipped 4 more from Greene King, 156p, and 15 from Mansfield, 407p. Marstons, which revealed slightly increased first-half profits yesterday, held at 61p. Wolverhampton and Dudley remained friendless and shed 8 more to 220p. Wines and Spirits made a brighter showing than of late, small buying lifting Arthur Bell 4 to 134p.

Brickmakers passed a much quieter session after Friday's excitement engendered by Hanson Trust's 120p cash bid for London Brick; the latter traded steadily awaiting further bid developments to close unchanged at 135p, after 133p. Other brickmakers usually held Friday's sharp gains. Contracting and Constructionis sueslo eb.tu9h Construction issues looked a little ragged, AMEC shedding 3 to a low for the year of 189p on lack of interest. Barratt Developments slipped to 162p before picking up on cheap buying to close just 2 cheaper on balance at 166p. Marchwiel resisted the trend and firmed 6 to 180p. Elsewhere, Burnett and Hallamshire remained out of favour and shed 13 to a 1983 low of 125p, while small selling in an unwilling market left Ruberoid the same amount down at 265p. The Timber sector displayed a firm feature in May and Hassell which gained 11 to 110p, after 114p, following excellent interim results.

Frasers dip and rally

ICI, after opening a shade lower at 646p, slipped to 644p in the absence of interest before early Wall Street advices brought the close back to unchanged on balance at 648p. Among other Chemicals, Laporte shed 7 to 325p following reports of an explosion of the company's Humberside plant at the weekend. Yorkshire Chemicals gave up 6 to 68p on a broker's downgraded profit estimates.

The London bombing failed to unsettle short-term investment confidence in major Stores. House of Fraser were marked down initially, but soon recovered to finish a net 6 dearer at 230p amid unconfirmed rumours of a share stake changing hands. British Home hardened a couple of pence to 229p, while Gussies A gained 3 to a 1983 peak of 618p. Debenhams attracted option business in the wake of weekend comment concerning its Welbeck finance arm and closed 3 better at 153p. Movements of note among secondary issues were rare, although Time Products responded to revived speculative support and gained 2½ to 25p.

Leading Electricals were featureless and it was left to secondary issues to provide the odd noteworthy feature. Pifco put on 10 more at 180p in a limited market, while revived demand left Electronic Machine 4 to the good at 54p. Speculative buying prompted a rise of 5 to 47p in Petbow and Newman Industries improved 3 to 18p. Japanese stocks gave ground following the election setback for the ruling Liberal Democratic Party. NEC fell 11 to 424p, Fujitsu 12 to 364p and TDK 1¼ to £15¼.

Buying in front of today's half-year results left Belgrave (Blackheath) sharply higher at 105p, up 17, but disappointing preliminary figures prompted a fall of 8 to 106p in Whessoe. Elsewhere in the Engineering sector, weekend Press mention stimulated occasional demand for Edbro, a couple of pence dearer at 92p, after 94p, and D. F. Bevan, 1½ to the good at 16p. Johnson and Firth Brown close ½ lower at 8½p on the heavier annual loss, while the preliminary results from J. and H. B. Jackson, down 1½ at 63½p, failed to inspire. Leading issues traded quietly, but on a slightly firmer bias.

Leading Food Retailers attracted fresh demand on Christmas spending hopes. J. Sainsbury firmed 5 to 485p and Tesco hardened 3 to 169p, while Argyll, reflecting buying late last Friday, edged 2 at 141p. Elsewhere, turkey producer Bernard Matthews gained 5 to 160p in a thin market, while recently-dull J. E. England rallied 4 to 23p. Buyers were around for Bio-Isolates, up 15 at 103p, but Maynards, which soared to 310p late Friday after Mr Lewis E. Cartier's 250p per share partial bid for the company, came back 40 to 270p.

Bowater good

Apart from a flurry of buying activity in Bowater, up 10 at 253p, after 256p, following weekend Press mention, leading Miscellaneous Industrials traded quietly. Secondary issues, in contrast, provided the occasional feature. Bellair were outstanding at 710p on revived speculative demand in an extremely thin market. AIM responded afresh to a "chart buy" signal with a further gain of 6 to 81p, while the good interim results left Syltone 16 higher at 140p. Halma, also reflecting half-year figures, improved 8 to 132p. Disappointing mid-term profits, however, prompted a fall of 8 to 143p in Norcros. Jacksons Borne End were noteworthy for a rise of 10 to 215p, while rises of 8 were achieved by Extel, 420p, and Diploma, 445p. Smiths Industries continued to make progress and edged up 5 more to a peak for the year of 467p. Scattered demand left Bruntons (Musselburgh) 8 to the good at 120p, while United Guarantee, an old take-over chestnut, improved 2½ to 43½p. Metamec Jentique, the subject of a recent tip sheet recommendation, also put on 2½, to 15p. Pauls and Whites hardened a couple of pence to 247p in response to Press comment. Dealings were suspended in Airship Industries at 93p pending an announcement in connection with a further financing of the company.

News of the £425,000 sponsorship deal with Holstein helped Tottenham Hotspur improve 3 to 87p. Elsewhere in the Leisure sector, Juliana's met with fresh support and firmed 5 to a 1983 peak of 405p, while Associated Leisure hardened a couple of pence to 102p following Press mention. Newspaper suggestions of a possible bid for the company from Aspinall Holdings failed to inspire Trident TV A, which lost the turn at 118p; Aspinall held at 130p.

Truck manufacturers E.R.F. improved 3 more to 45p ahead of tomorrow's half-timer. Elsewhere in lacklustre Motor sectors, Lucas rallied a few pence to 163p, while scattered support lifted Armstrong Equipment a similar amount at 23½p.

Properties contributed little to the day's proceedings, but the leaders still managed small gains. Land Securities hardened 3 to 259p and MEPC 4 to 256p, while British Land, awaiting today's half-timer, firmed 2½ to 100½p.

Smaller-priced issues dominated Textiles. Favourable comment prompted gains of around 3 in A. J. Worthington, 41p, and Victoria Carpet, 22p. Stoddard A also rose 3, to 16p in front of today's interim results.

Far-Eastern Investment Trusts reacted to the disappointing showing in the Japanese elections of Mr Yasuhiro Nakasone's incumbent Liberal Democratic Party. G. T. Japan closed 27 lower at 873p, while double-figure losses were also seen in Fleming Japanese B, 407p, and Crescent quietly, although Midland Trust Japan, 675p. Other Trusts traded provided an early burst of excitement by rising 65 to 200p following agreed offer terms from Britannic Assurance, 10 cheaper at 450p.

Stockjobbers Smith Brothers rose to 82p following Friday's after-hours' announcement of the deal whereby merchant banker N. M. Rothschild will take a 29.9 per cent stake, but reacted to finish only a net penny better at 77p. Elsewhere in Financials, Mercantile House attracted late support and advanced 14 to 419p, after 422p; the interim results are expected next month. R. P. Martin rose 10 to 235p.

Irish Sea oil exploration stocks returned to prominence after Friday's enforced selling. Dublin sources particularly favoured Atlantic Resources, which jumped to 670p before closing a net 25 up 655p, and Aran Energy, 5 higher at 72p, after 74p. Leading Oils finally showed fractional losses, but Burmah encountered revived bid speculation and rose to 172p prior to ending 4 dearer on balance at 170p. Elsewhere, Global Natural Resources were raised 25 to 425p and Sun (UK) moved up 5 to 120p, but Clyde Petroleum reacted 5 to 105p following abandonment of the Cowes well. Domestic influences coupled with currency consideration brought Weeks Australia back 8 to 96p and Weeks (Bermuda) down 25 to 340p.

Dealings in Kuala Lumpur Kepong, suspended last Friday at 99p, were resumed in London at 100p following acquisition news.

Randfontein firmer

Currency fluctuations proved a major factor in movements in mining markets. The trend of sterling against the U.S. dollar and the Australian currency restricted gains in South African Golds and Australians, despite a relatively steady performance by the bullion price, which closed a net $1.25 firmer at $375.125.

South African Golds attracted persistent support throughout the day from Johannesburg and the major European dealing centres, but this demand was barely illustrated by the Gold Mines index which showed a 0.2 gain of 558.2.

The sector did provide a number of firm features, however, notably Randfontein, which rose ⅞ to £95½, Western Areas, 7 better at 377p and Elsburg, up 4 at 240p ahead of the better than expected December dividends.

London stocks attracted strong interest, especially recently-weak Consolidated Gold Fields, which rallied 7 to 485p. Rio Tinto-Zinc regained 13 to 590p. Charter Consolidated moved up 8 to 218p, but Hampton Areas closed unchanged on balance at 205p following interim results in line with market estimates.

Australians retreated across the board owing to the weakness of the Australian dollar. Golds were sharply lower at the outset but regained some composure in the later trading. Central Norseman dropped to 405p compared with Friday's closing level of 428p, but rallied to end the day only 5 cheaper at 423p, while Gold Mines of Kalgoorlie were finally unaltered on balance at 630p, after 620p. Leading diversified issues were highlighted by Peko-Wallsend, 10 off at 356p, and CRA and MIM Holdings which fell 8 apiece to 358p and 230p respectively.

The more speculative Gold issues also staged a good rally after an initial sell-off. Recent favourite Southern Resources fell away to 95p before recovering to close unchanged at 102p, while Whim Creek were similarly unaltered at 180p, after 174p.

Quiet conditions continued to prevail in Traded Options. Total contracts struck amounted to a meagre 1,085, comprising 635 calls and 450 puts. Last week's daily average was 2,033.

FINANCIAL TIMES STOCK INDICES

	Dec. 19	Dec. 16	Dec. 15	Dec. 14	Dec. 13	Dec. 12	year ago
Government Secs.	82.64	82.34	82.36	82.30	82.43	82.51	78.85
Fixed Interest	86.06	85.86	85.81	85.83	85.92	85.90	80.00
Industrial Ord.	762.1	758.3	752.8	761.1	760.6	753.7	591.2
Gold Mines	558.2	558.0	570.5	577.5	584.3	573.1	508.4
Ord. Div. Yield	4.62	4.63	4.65	4.65	4.66	4.64	5.06
Earnings, Yld.% (full)	9.43	9.45	9.51	9.53	9.54	9.50	10.80
P/E Ratio (net) (*)	12.94	12.98	12.83	12.81	12.79	12.85	11.03
Total bargains	10,280	22,411	10,828	10,982	20,855	21,030	19,534
Equity turnover £m.	—	225.86	253.88	188.00	208.13	254.14	130.2
Equity bargains	—	15,347	16,430	15,413	16,656	18,250	14,761
Shares traded (ml)	—	144.9	150.0	109.7	190.0	147.8	97.0

10 am 761.0. 11 am 761.2. Noon 761.7. 1 pm 761.7. 2 pm 761.2. 3 pm 761.0.

Basis 100 Govt. Secs. 15/1/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/1/55. SE Activity 1914. † Corrections.

Latest Index 01-246 8026.

Nil = 12.16.

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.70 (11/11)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	80.41 (7/12)	70.03 (1/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	762.1 (19/12)	598.4 (12/1)	762.1 (19/12/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2)	444.0 (1/11)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Dec. 16	Dec. 15
—Daily Gilt Edged Bargains	140.2	157.2
Equities Bargains	99.4	106.6
Value	456.6	617.2
5-day Avrge Gilt-Edged Bargains	100.1	164.7
Equities Bargains	106.4	116.8
Value	458.4	502.2

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

		Mon Dec 19 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Fri Dec 16 Index No.	Thur Dec 15 Index No.	Wed Dec 14 Index No.	Tues Dec 13 Index No.	Year ago (approx) Index No.
1	CAPITAL GOODS (203)	[illegible]	−0.1	9.23	3.87	13.98	461.68	460.67	457.92	460.28	424.28
2	Building Materials (24)	445.71	−0.4	10.98	4.78	11.35	447.48	442.94	443.09	444.90	396.48
3	Contracting, Construction (30)	[illegible]	−0.3	14.27	5.42	8.74	662.57	665.42	666.68	671.33	728.27
4	Electricals (38)	[illegible]	−0.1	8.42	2.40	15.63	1637.49	1635.46	1617.86	1634.00	1668.02
5	Engineering, Contractors (10)	[illegible]	+1.1	13.13	6.32	9.72	437.32	433.74	433.85	434.61	442.81
6	Mechanical Engineering (59)	[illegible]	+0.3	11.45	5.41	10.75	208.28	208.73	206.74	206.47	193.79
8	Metals and Metal Forming (9)	[illegible]	+0.4	18.75	6.76	11.31	172.85	170.11	169.22	168.53	145.23
9	Motors (17)	[illegible]	+0.6	1.48	4.56	—	118.29	118.31	118.31	117.68	75.21
10	Other Industrial Materials (16)	[illegible]	−0.7	5.23	3.74	25.36	603.67	603.86	603.26	604.53	358.98
21	CONSUMER GROUP (197)	[illegible]	+0.6	10.48	4.39	11.66	453.84	453.50	454.22	454.68	399.53
22	Brewers and Distillers (23)	443.38	+0.9	13.26	5.29	9.48	439.24	441.11	443.48	447.54	441.01
25	Food Manufacturing (22)	358.85	+0.4	12.94	5.69	9.03	357.68	358.81	360.35	359.72	327.95
26	Food Retailing (13)	1853.59	+1.2	7.67	2.68	16.73	1841.31	1841.77	1849.29	1854.41	862.65
27	Health and Household Products (9)	722.97	+0.2	6.51	3.04	18.05	721.67	722.39	724.27	718.71	677.99
29	Leisure (25)	599.08	−0.1	8.46	4.56	15.26	599.78	599.85	597.51	596.75	451.51
32	Newspapers, Publishing (15)	1837.96	+0.8	8.37	4.60	14.35	1829.58	1826.07	1813.50	1809.25	609.18
33	Packaging and Paper (14)	215.93	+1.1	11.65	4.68	11.25	213.49	212.29	212.73	211.77	140.35
34	Stores (47)	427.91	+0.4	7.91	3.61	17.02	426.05	425.71	425.46	428.06	376.23
35	Textiles (20)	249.90	+0.4	12.05	4.75	9.61	249.18	247.69	245.82	245.72	169.80
36	Tobaccos (3)	466.92	+1.5	21.34	6.85	5.25	459.80	460.97	462.96	458.61	447.13
39	Other Consumer (8)	448.75	+0.1	10.53	5.72	—	448.13	446.91	446.18	446.18	321.90
41	OTHER GROUPS (94)	419.75	−0.1	7.98	4.19	15.80	420.31	420.07	418.19	416.54	296.25
42	Chemicals (16)	628.86	−0.3	7.04	4.06	18.84	630.52	628.98	627.59	620.73	374.88
44	Office Equipment (6)	113.01	−0.3	8.51	4.55	14.64	113.33	113.42	109.36	110.39	88.77
45	Shipping and Transport (14)	793.89	−0.3	8.88	5.11	16.90	797.97	798.19	787.78	786.75	508.78
46	Miscellaneous (48)	528.82	+0.1	8.89	4.86	13.49	528.26	528.79	528.05	524.64	402.30
49	INDUSTRIAL GROUP (484)	457.37	+0.2	9.67	4.19	12.90	456.86	455.93	455.18	455.79	392.91
51	Oils (16)	914.63	−0.3	12.22	6.48	9.94	917.12	921.60	918.81	919.45	713.78
59	500 SHARE INDEX	495.40	+0.2	10.08	4.55	12.32	494.59	494.86	493.86	494.55	419.50
61	FINANCIAL GROUP (123)	365.74	+0.4	—	5.29	—	364.32	368.26	369.10	368.26	267.86
62	Banks (6)	369.57	+0.7	23.24	6.93	4.67	366.93	378.25	380.11	375.97	281.43
63	Discount Houses (8)	345.78	+1.1	—	7.89	—	342.85	341.44	341.44	339.87	285.98
65	Insurance (Life) (9)	585.46	−0.2	—	4.45	—	586.56	585.60	585.95	518.33	355.85
66	Insurance (Composite) (10)	253.83	+0.5	—	6.85	—	252.50	253.59	254.96	255.13	174.82
67	Insurance Brokers (7)	645.34	—	10.60	4.56	12.91	645.41	654.01	656.61	647.38	496.57
68	Merchant Banks (12)	227.82	−1.0	—	4.06	—	229.31	230.90	227.85	228.18	152.90
69	Property (53)	522.51	+0.6	5.75	3.72	23.25	519.56	524.39	528.61	529.28	408.81
70	Other Financial (18)	261.44	+0.8	10.54	5.20	11.44	259.29	260.96	256.82	257.23	183.37
71	Investment Trusts (108)	470.15	−0.1	—	3.80	—	470.45	469.78	469.36	468.71	351.85
81	Mining Finance (4)	276.78	+2.0	9.53	5.27	12.88	271.32	274.95	278.35	280.90	227.67
91	Overseas Traders (15)	495.68	—	7.73	7.56	18.45	495.88	497.82	494.85	489.34	376.05
99	ALL-SHARE INDEX (750)	463.52	+0.2	—	4.68	—	462.46	463.66	463.21	463.50	379.69

FIXED INTEREST

	PRICE INDICES	Mon Dec 19	Day's change %	Fri Dec 16	xd adj. today	xd adj. 1983 to date
	British Government					
1	5 years	117.40	+0.12	117.26	—	11.32
2	5-15 years	130.95	+0.41	130.79	0.38	14.01
3	Over 15 years	139.74	+0.56	139.78	0.83	15.75
4	Irredeemables	150.55	+0.60	149.66	—	13.57
5	All Stocks	129.32	+0.35	129.20	0.33	13.98
6	Debentures and Loans	107.19	+0.04	107.15	—	10.88
7	Preference	80.43	+0.01	80.43	—	6.52

	AVERAGE GROSS REDEMPTION YIELDS		Mon Dec 19	Fri Dec 16	Year ago (approx)
	British Government				
1	Low Coupons	5 years	9.42	9.44	909.80
2		15 years	10.07	10.10	10.55
3		25 years	9.82	9.87	10.67
4	Medium Coupons	5 years	11.03	11.09	10.65
5		15 years	10.78	10.78	10.60
6		25 years	10.14	10.21	11.15
7	High Coupons	5 years	11.17	11.22	11.76
8		15 years	10.87	10.94	11.80
9		25 years	10.24	10.31	11.34
10	Irredeemables†		9.78	9.84	10.75
11	Debs & Loans	5 years	11.62	11.63	12.51
12		15 years	11.62	11.63	12.42
13		25 years	11.62	11.63	12.42
14	Preference†		12.30	12.31	12.97

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

EUROPEAN OPTIONS EXCHANGE

Series		Feb. Vol.	Feb. Last	May Vol.	May Last	Aug. Vol.	Aug. Last	Stock
GOLD C	$375	43	17	1	68	—	—	$375.50
GOLD C	$400	608	6.50	30	17	6	24.50	"
GOLD C	$425	67	2.50	8	9.10	30	18	"
GOLD C	$450	4	1.50	14	4.50	—	—	"
GOLD P	$350	103	8.60	95	4.30	23	7	"
GOLD P	$375	31	8	11	10.50	1	9	"
GOLD P	$400	05	24	4	24.50	2	24 B	"
		March		June		Sep.		
SILV C	$6	4	1.10	7	1.40	—	—	$8.60
SILV C	$8	30	0.50	52	0.85	—	—	"
SILV C	$10	3	0.30	17	0.50	—	—	"
SILV C	$11	4	0.10	600	0.32	—	—	"
SILV C	$12	—	—	8	0.19 B	—	—	"
SILV C	$13	—	—	80	0.16	—	—	"
SILV P	$8	—	—	11	0.50	—	—	"
SILV P	$9	207	0.70	7	1	—	—	"
SILV P	$10	20	1.50 B	—	—	—	—	"
		Jan.		April		July		
ABN C	F.360	30	22	—	—	—	—	F.380
ABN C	F.380	89	8	20	17.50 B	8	21.50 B	"
AH P	F.170	—	—	29	9	—	—	F.183
AKZO C	F.65	57	25.50	—	—	—	—	F.90.40
AKZO C	F.70	323	21	1	22	—	—	"
AKZO C	F.80	398	11	44	14.20	156	16	"
AKZO C	F.90	315	3.60	341	7.60	169	8.70	"
AKZO C	F.100	20	0.80 A	289	3.50	200	5.40	"
AKZO P	F.65	—	—	30	0.20	—	—	"
AKZO P	F.80	45	0.50	118	1.50	66	2.30	"
AKZO P	F.90	96	2	978	4.20	61	5	"
AKZO P	F.100	64	9.80	15	10	—	—	"
AMRO C	F.50	91	1.70	106	4	20	0.50	F.60.20
AMRO C	F.65	116	0.50	940	2	11	3.50	"
AMRO P	F.55	4	0.10	71	2	3	2.80 A	"
HEIN C	F.130	46	1.70	5	8.10	—	—	F.124
HEIN P	F.120	5	1.10	27	3.60	7	4.20	"
HOOG C	F.30	60	10.50	—	—	3	13	F.40.30
HOOG C	F.40	86	2	100	4.30 A	45	5.60	"
HOOG C	F.45	16	0.90	35	2.40	48	4.10	"
HOOG P	F.40	14	1.40	20	2.60	37	3.60	"
KLM C	F.170	28	22 A	13	27	2	33 A	F.190.50
KLM C	F.180	101	13.50	18	22.50	6	27	"
KLM C	F.190	128	6.50 B	61	15.50	9	21	"
KLM C	F.200	189	3.60 B	175	10	18	15.50	"
KLM P	F.160	35	0.10	0	1.10	—	—	"
KLM P	F.170	29	0.40	9	2 A	—	—	"
KLM C	F.180	38	1	65	3.60	1	3	"
KLM C	F.190	78	4	140	7.80	—	—	"
KLM P	F.200	52	11	10	13.60 B	—	—	"
PHIL C	F.40	86	3.40	114	6	78	6.70	F.45.20
PHIL C	F.45	300	0.90	254	3	68	4.20	"
PHIL C	F.50	139	0.30	197	1.30	148	2.40	"
PHIL C	F.35	—	—	57	0.70	—	—	"
PHIL P	F.40	97	0.50	227	1.20	127	2.10	"
PHIL P	F.45	65	0.50 A	47	3.20	68	4.20	F.134.60
RO C	F.160	39	6.50	88	12.20	7	13.50	"
RO C	F.140	130	1.50	120	0.80	20	8.40 B	"
RO C	F.150	95	0.30	215	2.90	—	—	"
RO P	F.120	—	—	53	1	—	—	"
RO P	F.130	130	1	98	3	109	5.60	"
RO P	F.140	33	6.70	80	8	8	11	"

TOTAL VOLUME IN CONTRACTS: 14,638

A=Ask B=Bid C=Call P=Put

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or −	Net Div.	Times Covered	Gross Yield	P.E. Ratio
115	F.P.	13/12	176	130	♣Aspinall Hldgs 10p	130	...	b93.0	3.7	3.3	11.6
33	F.P.	21/12	34	29	♣Brewmaker 1p	20	...	—	—	—	15.7
‡435	200	10/2	220	158	Brit. Petroleum	163	−1	20.25	1.9	7.3	11.1
‡275	100	—	103	96	Cable & Wireless 50p	103	+1	n5.47	3.5	7.6	4.5
‡75	F.P.	—	70	72	Datanerv Ins. 5c	72	−4	bQ1.5	5.1	1.4	14.1
‡54	F.P.	14/12	54	48	♣FederatedHousg 5p	50	...	b2.43	2.4	7.0	8.5
‡IR77	F.P.	25/11	66	62	♣Flogas 10p	63	...	Q11.8	3.6	3.7	10.2
‡137	F.P.	—	140	138	♣High-point Serv. 10p	140	+2	u3.0	2.4	3.1	11.1
‡85	F.P.	—	87	85	♣J'hnsn&Jorg'nsn 10p	87	...	b3.15	2.1	5.2	12.0
‡150	F.P.	—	177	168	♣Kenyon Securities	177	...	b9.38	1.7	7.6	13.9
‡150	F.P.	—	155	138	Ldn. & Edin'gh Tst. 10p	138	−4	b5.20	2.5	5.4	8.7
‡40	F.P.	—	41	40	♣MME facilities 10p	40	...	b0.7	3.5	2.5	11.5
‡96	F.P.	16/1	101	83	♣Mebon 10p	84	−1	b3.3	2.6	5.1	13.1
‡185	F.P.	—	240	217	♣Moray F. Malt'gs 50p	230	−10	b7.0	2.7	4.4	9.4
‡90	F.P.	10/12	100	87	♣Page (Michael) 5p	108	...	b1.4	3.3	1.0	23.4
‡140	F.P.	—	163	146	♣Pericom 10p	158	−2	u1.7	4.9	1.5	14.2
‡26½	F.P.	6/1	31	27	♣Protometer 5p	31	...	u0.7	2.7	3.2	14.2
‡90	F.P.	13/1	93	91	♣Toy Homes	91	...	u4.1	2.1	6.4	9.3
‡135	F.P.	—	140	135	♣TynaTeesTVAN Vt	138	...	8.25	2.4	8.5	7.1
‡150	F.P.	—	135	132	V O Instruments 10p	132	...	b1.4	5.6	1.5	16.9
‡110	F.P.	15/12	150	106	♣V. W. Thermax	145	−5	u5.25	1.8	5.2	13.5
‡IR84	F.P.	8/12	183	166	♣Woodchester Inv. IR20p	170	...	Q19.3	4.1	1.8	14.6
—	F.P.	—	30	24	Witan Invs. Wrrnts	28	...	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price £	+ or −
‡	Nil	—	20pm	17pm	Arlen Elect. 11½% Cnv. Ln. 1996	20pm	...
■100	F.P.	2/1	102	101½	Bristol Waterworks 6.6% Red. Prf. 1988	101½	...
00	£10	—	10½	9½	Colne Valley Water 6% Red. Prf. '90	10	...
‡	F.P.	0.2	123	115	Crystalate 8½% Cnv. Ln. 2003	127	−1
99.15	£25	—	25¾	24¾	Elf (U.K.) 12½% Uns. Ln. '91	25½	−¼
—	F.P.	—	103	101	External Inv. 8% Cnv. Ln. 2003 08	103	
‡	F.P.	0.1	114p	96p	Fisher (A.) 7% Cnv. Prf.	114p	−3
100	F.P.	27/1	91	80	Gen. Finance N.V. 11.3% Ln. 2007	90¼	
99.714	£50	26/4	32¾	30	Int. Bk. for Rec. & Dev. 11.5% Ln. 2003	31¼	
97.268	£25	23/1	20⅞	25	Ireland 12% 2008	20	
‡100p	F.P.	9/12	114p	100p	LASMO 8½% Cum Red Pref	109p	
‡	£30	10/11	40	30½	Lon. Shop Prop. 9pc Cnv. 94 99 Ser II	33	−1
‡100	£10	—	12	10½	Mid Kent Wtr. 12pc. Red Deb. 1993	12	
—	F.P.	—	100⅛	99⅞	Nationwide 10¼% Bds. 9/10/84	99⅞	
—	F.P.	—	100	99	Do. 10¼% Bds. 5/11/84	99¾	
—	F.P.	—	100¼	99	Do. 10¼% Bds. 3/12/84	99	
—	F.P.	—	100	100	Do. 10¼% Bds. 24/12/84	100	
99.44	£25	—	25¼	25¼	Queens Moat 12% 1st Mort. Deb. 2013	25¼	
99.883	£30	—	30	29¾	Spain 12% Ln. 1988	30	
100	£10	3/2	12	12	Sund'ld + S.ShieldsWtr 8½pcRPf. 1989	12	
£100	£10	—	12¼	10½	Tend. Hundred Wtr. 12pc Red Deb 1993	12¼	+¼
‡99½	£10	—	12	11½	West Kent Wtr. 6.25pc Red Pref 1988	12	

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date ●	Latest Renunc. date ■	1983 High	1983 Low	Stock	Closing price	+ or −
345	Nil	—	—	85pm	40pm	♣Air Call	85pm	...
25	F.P.	—	16/12	45	31	Barget	35	−3
62	F.P.	—	13/1	71	60	Charterhal. 5p	67	...
100	F.P.	—	15/12	123	115	Heywood Williams	123	...
25	F.P.	—	30/12	36	28	Manson Fin. 10p	34	...
300	Nil	—	—	50pm	43pm	♣McCarthy & Stone 20p	43pm	−4
25	F.P.	—	10/1	30	28	Philcom 10p	30	...
95	Nil	—	10/1	103	90	♣Pineapple Dance 10p	100	...
C$14½	Nil	—	—	14pm	10pm	Toronto Dom. Bk.	10pm	...
85	F.P.	—	4/1	107	90	Ward White	103	...
—	Nil	—	21/11	174	133	Western Mining Options	174	...

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1983. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. ● Figures or report awaited. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters. † Effective issue price after scrip. † Formerly dealt in under special rule. ♣ Unlisted Securities Market. * Comprising of 10 New Ordinary plus 1 Series B Warrant. C Canadian.

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (72)

FOREIGN BONDS (1)
Japan 6pc '83-88

AMERICANS (2)
Campbell Soup — I.U. Int.

CANADIANS (1)
Inco

BANKS (3)
Alexanders Discount — Union Discount
First Nat. Finance

BUILDINGS (2)
May & Hassell — Nottingham Brick

CHEMICALS (3)
Akzo N.V. — British Tar
Allied Colloids

STORES (4)
Debenhams — Simpson (S.) A
Gus A — Time Prods.

ELECTRICALS (7)
Air Call — Petbow
Electronic Machine — Suter
Logica — Systems Designers
Memec

ENGINEERING (2)
Bevan (D. F.) — Black & Decker

INDUSTRIALS (17)
Aero Needles — Jacksons Bourne End
Bellair Cosmetics — Metamec Jentique
Bowater — SI Group
Coin Inds. — Smiths Inds.
Cope Allman — Steetley
Crosby Woodfield — Sterling Inds.
Dunhill — Trafalgar House
Francis Inds. — Wade Potts.
Harris (P.)

INSURANCE (3)
Bryant (Derek) — Hambro Life
Eagle Star — Willis Faber

LEISURE (1)
Juliana's

MOTORS (2)
Hanger Invs. — Kenning Motor

NEWSPAPERS (4)
Bristol Eve. Post — Octopus Publishing
L'pool Daily Post — United Newspapers

PAPER (1)
Causton (Sir J.)

PROPERTY (3)
Clarke Nickolls — Sheafbank
Rosehaugh

TEXTILES (2)
Coats Patons — Lyles (S.)

TRUSTS (7)
Cardinal Dfd. — London Atlantic
Fleming Overseas — Witan
Fleming Universal — Centrewey Trust
Inv. in Success

OILS (1)
Petrolina

OVERSEAS TRADERS (1)
Gt Northern Tel.

PLANTATIONS (2)
Cons. Plants. — Moran Tea

MINES (2)
Cons. Murchison — Tara Exploration

NEW LOWS (26)

BREWERS (5)
Boddingtons — Wh'hampton & Dudley
Greene King — Youngs Brew. A
Morland

BUILDINGS (4)
AMEC — Burnett & Hallams.
Barratt Devs. — Crouch Group

ELECTRICALS (2)
Oceonics — United Scientific

INDUSTRIALS (3)
Metal Sciences — Spring Grove
Pritchard Services

LEISURE (2)
MAMS — Nimslo Int.

MOTORS (1)
Perry (H.)

SHIPPING (1)
Lyle Shipping

TEXTILES (1)
Nova (Jersey) Knit

OILS (3)
New Court Nat. — Amer. Oil Fields
KCA Drilling

MINES (4)
Kalbara Mining — Admiral Mines
Samson Exploration — Centennial Minerals

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	71	1	29
Corpns. Dom. and Foreign Bonds	13	4	59
Industrials	276	187	542
Financial and Prop.	90	77	358
Oils	17	41	67
Plantations	6	—	14
Mines	32	73	54
Others	53	50	79
Totals	558	433	1,606

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Dec 19	Jan 6	Mar 22	April 2
Jan 9	Jan 20	April 2	April 16
Jan 23	Feb 3	April 26	May 8

For rate indications see end of Share Information Service.

Stocks favoured for the call included BOC, Cable and Wireless new, Bowater, Debenhams, Marchwiel, Aran Energy, Sound Diffusion, Tootal, F. H. Tomkins, Barker and Dobson, Burnett and Hallamshire, Five Oaks, Sumrie Clothes, W. E. Norton, London Brick, Trident TV A, Geers Gross, A. J. Worthington, GKN, London and Liverpool and Emray. A put was done in London and Liverpool, while doubles were transacted in Bowater, Debenhams and Marchwiel.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Aran Energy	72	+5
Atlantic Res.	655	+25
Barratt Devs	166	−2
Belgrave (Blackheath)	105	+17
Cons Gold Field	485	+7
Eagle Star	728	+8
Grand Met.	348	+10
Halma	132	+8
Hill Samuel	312	−18
Maynards	270	−40
Norcros	143	−6
Whessoe	106	−8

FRIDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stocks	No. of changes	Fri's close	Day's change
Midland Bank	30	378	−55
Eagle Star	17	720	—
London Brick	17	135	+31
Lloyds Bank	14	538	−12
BOC	13	293	+6
Hill Samuel	13	330	−17
Utd. Scientific	13	318	−17
Barclays Bank	12	485	—
NatWest Bank	12	638	−7
GEC	11	178	+2
Glaxo	10	715	−5
Mry Frth Mtlgs	10	240	+25
Std Chartered Bk	10	475	−1
V.G. Inst New	10	132	−2

LONDON TRADED OPTIONS

Option		Calls Jan.	Calls Apr.	Calls July	Puts Jan.	Puts Apr.	Puts July
B.P. (*303)	360	38	—	—	3	—	—
	390	14	28	56	8	20	26
	420	5	18	34	38	42	48
	460	1	9	12	70	80	82
Cons. Gold (*487)	460	45	60	80	9	20	28
	500	18	43	57	52	46	57
	550	7	27	30	70	80	87
	600	1½	10	—	117	120	—
	650	1	4	—	107	170	—
Courtaulds (*120)	70	50	—	—	1	—	—
	86	40	—	—	1	—	—
	90	—	38	48	—	1	2
	96	30	—	—	1	—	—
	100	—	30	34	—	3	6½
	110	17	21	26	2	4	5
	120	8	15	17	4	6	8
	130	4	8	15	8	10	16
Com. Union (*188)	140	48	52	56	1	1½	6
	160	29	65	58	6	6	6
	180	12½	17	20	4½	9	13
	200	4	7	9	17	28	35
G.E.C. (*178)	160	22	32	42	3	6	8
	180	8	20	23	10	13	13
	200	5	11	16	25	27	28
	220	1	6	8	44	44	44
	240	1	2	—	—	—	—
	260	1	—	—	—	—	—
Grand Met. (*345)	300	50	66	62	1½	5	9
	330	25	33	42	5	14	20
	360	7	10	22	25	30	60
	390	2	4	—	48	55	—
I.C.I. (*646)	420	230	—	—	1½	—	—
	460	190	—	—	2	—	—
	500	150	154	—	8	8	—
	550	100	104	114	2	0	9
	600	52	62	74	4	14	16
	650	14½	60	44	20	32	42
Land Secur. (*259)	214	48	55	63	1	2	5
	230	20	33	41	3	8	8
	240	22	30	38	3	8	11
	257	12	20	29	10	14	18
	260	11	18	27	12	13	20
	280	3	9	15	25	28	31
Marks & Sp. (*220)	180	40	45	—	1	2	—
	200	21	60	29	1½	4	6
	220	4	11	15	3	11	14
Shell Trans. (*560)	460	108	—	—	1	—	—
	500	68	78	88	2½	11	14
	550	28	42	50	12	22	30
	600	4	16	20	50	00	50
	650	1½	6	—	94	96	—

Option		Calls Feb.	Calls May	Calls Aug.	Puts Feb.	Puts May	Puts Aug.
Barclays (*487)	420	73	80	—	3	0	—
	460	42	50	68	11	18	22
	500	20	50	40	28	48	47
	550	3	18	—	—	77	—
Imperial Gp. (*154)	110	20	27	—	0¼	1½	—
	120	17	19	—	1½	2½	—
	130	9	11	16	4	7	9
	140	3½	6	8½	9	11	13
LASMO (*250)	240	28	38	42	10	18	25
	260	18	87	33	22	50	55
	280	10	18	66	42	47	50
	300	3	10	—	57	66	—
	330	2	4	—	85	87	—
	360	1½	3	—	—	—	—
	390	0½	2	—	—	—	—
Lonrho (*106)	90	17½	20	21	1	2	2½
	100	8	11	13	3	5½	7
	110	3	6	7½	10	11	13
P. & O. (*237)	180	62	—	—	2	—	—
	200	44	52	—	3	4	—
	220	26	37	—	5	8	—
	240	12	24	36	14	18	21
	260	5	15	85	28	31	33
Racal (*207)	180	34	42	50	2	4	7
	200	18	26	54	9	13	16
	220	8	16	34	20	24	28
	230	4	8	—	—	—	—
	250	1	5	—	—	—	—
	275	1	—	—	—	—	—
R.T.Z. (*589)	483	119	—	—	—	—	—
	500	102	—	—	1½	—	—
	533	77	—	—	5	—	—
	550	65	80	90	15	27	35
	583	40	—	—	66	—	—
	600	28	47	57	33	47	57
	650	10	25	—	67	72	—
	700	4	10	—	—	—	—
Vaal Reefs (*$106)	90	17½	20	23	4	6	8
	100	11	14	16	8	10½	15½
	110	6½	9½	11½	14	16	18
	120	3	6½	—	21	25	—
	130	1¼	6	—	28	31	—
	140	1	1¼	—	—	—	—

Option		Calls Dec.	Calls Mar.	Calls June	Puts Dec.	Puts Mar.	Puts June
Beecham (*320)	300	20	37	43	1	7	17
	330	2	15	20	10	23	30
	360	1½	4	—	40	40	—
	385	1	2	—	—	72	—
	410	1	—	—	—	—	—
Bass (*303)	300	5	15	27	4	18	16
	330	1	4	10	30	38	45
De Beers ($*723)	700	33	57	75	3	28	38
	750	3	32	48	38	57	67
	800	6	17	52	80	92	102
	850	2	7	—	130	130	140
	900	1	3	—	180	—	—
Guest Keen (*171)	136	38	—	—	1	—	—
	168	18	—	—	1½	—	—
	150	—	23	27	—	6	11
	176	1½	—	—	6	—	—
	180	—	12	15	—	17	21
	200	1	4	—	50	30	—
Hanson (*257)	220	38	44	52	1	3	6
	240	18	27	36	8	5	14
	260	5	18	25	8	17	23
	280	—	9	17	—	33	35
Tesco (*156)	160	9	15	12	1½	5	6
	180	1	7	10	14	17	20

Dec. 19. Total Contracts 1,085 Calls 635. Puts 450.
* Underlying security price

HEALTHY
That's BTR

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1983 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
101½	99½	Exch. 11¼pc 1984	100⅜	.....	11.22	9.08
104¾	100¾	Exchequer 14pc 1984	103⅞	.....	15.74	9.32
97½	92½	Exch. 3pc 1984	97½xd	.....	3.09	9.15
102⅛	100⅛	Treasury 12pc 1984	101¼	.....	11.79	9.46
107½	104½	Treasury 15pc 1985	105⅛	.....	14.28	10.20
107	101½	Exch. 12pc Cnv. '85	102⅜	.....	11.74	10.05
94	89¾	Treasury 9pc 1985	93¾	+⅛	9.20	7.77
102½	99¾	Treasury 11½pc 1985	102xd	+⅛	11.27	10.13
102	95	Trees 8½pc Cnv '85	98⅜	.....	8.91	9.88
103¾	100⅛	Exch. 12¼pc 1985	102⅞	.....	11.98	10.49
102¾	99⅛	Exch. 11¼pc '86	102	.....	11.52	10.64
102¾	97¼	Treas 10pc Cnv 1986	100⅝	+⅛	9.94	9.65
88⅞	85¾	Treasury 3pc 1986	85⅝	.....	5.38	8.29
101⅛	97⅜	Exch. 10¾pc Cv '87	98⅞	+⅛	10.43	10.19
84⅛	80¼	Exchequer 2½pc 1987	83¼	.....	3.08	8.62
100⅛	95¾	Exch. 10½pc 1987	98⅞	+⅛	10.61	10.86
93¾	88¼	Funding 6½pc '85-87‡‡	91½	.....	7.10	9.50
98⅛	96	Treas 10pc 1987	97⅞	+⅛	10.22	10.84
86	80¾	Treasury 3pc 1987	83¼xd	+⅛	3.60	8.85
104¾	99¾	Treasury 12pc 1987	103	.....	11.65	11.00
93¼	89¾	Treasury 7¾pc '85-88‡‡	92¼	+⅛	8.36	9.92
103½	95½	Exch 10½pc '88	98⅞	+⅛	10.61	10.80
98½	95½	Treas 9¾pc Conv '88	96¼	+⅛	10.08	10.68
81½	75¾	Transport 3pc '78-88	80¾xd	+⅛	5.72	8.20
96¼	90¾	Treas. 9½pc '88	94⅞	+⅛	10.01	10.86

Five to Fifteen Years

1983 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
105½	95¾	Treasury 11½pc 1989	105⅜	+⅛	11.32	11.18
103	94¼	Treas 10½pc 1989	98⅛	+⅛	10.69	10.94
60½	59⅞	Exch 10pc 1989 (Iss 6pc)	59½	+⅛	10.39	10.91
83¼	76	Treasury 5pc '86-89	82⅛	+⅛	6.14	9.17
114	103	Treasury 13pc 1990‡‡	107¾xd	+⅛	12.00	11.09
109⅞	100⅞	Exch. 12½pc 1990	108¾	+⅛	11.55	11.19
93¼	86¼	Treasury 8½pc '87-90‡‡	90⅝	+⅛	9.17	10.40
108¼	97	Treasury 11¾pc 1991	101⅞xd	+⅛	11.46	12.21
83	74¾	Funding 5½pc '87-91‡‡	81⅞	+⅛	7.17	9.58
103	95⅞	Exch. 11pc 1991	101⅞	+⅛	11.04	11.04
114⅛	102	Treasury 12½pc '92‡‡	107¾xd	+⅛	11.75	11.33
100	88¼	Treasury 10pc 1992	99	+⅛	10.47	10.79
110¼	98½	Exch. 12¼pc '92	109⅝	+⅛	11.64	11.22
116	106½	Exchequer 13½pc '92	115¾	+⅛	12.00	11.51
114	101¼	Treasury 12½pc '93‡‡	107¾xd	+⅛	11.59	11.11
79⅞	71	Funding 6pc 1993‡‡	77⅞	+⅛	7.89	9.85
120¼	110½	Treasury 13¼pc 1993‡‡	115¾	+⅛	12.00	11.27
125¼	112⅞	Treasury 14½pc '94‡‡	124⅝	+⅛	12.04	11.12
117¼	109¼	Exchequer 13½pc 1994	115½	+⅛	11.91	11.24
113⅞	100½	Exch. 12½pc 1994	112⅞	+⅛	11.50	11.29
94⅛	86¼	Treasury 9pc '94‡‡	93¼	+⅛	9.34	10.44
118¼	98	Treasury 12½pc '95	104⅞xd	+⅛	11.39	11.12
65¼	61½	Gas 3pc '90/95	63½	.....	4.76	8.00
101⅛	88¼	Exch. 10¼pc 1995	94⅞xd	+⅛	10.73	10.91
116⅛	106¼	Treasury 12¾pc '95‡‡	112¼	+⅛	11.47	10.99
126¼	116	Treas. 14pc '96	117⅞xd	+⅛	11.80	11.16
93¼	83¼	Treasury 9pc '97/96‡‡	92¼	+⅛	9.93	10.40
133⅞	121¾	Treasury 15pc '96‡‡	129¾	+⅛	11.90	11.13
121¼	109¾	Exchequer 13½pc '96‡‡	116¼	+⅛	11.58	10.93
70	58	Redemption 3pc 1986-96	69½	.....	4.33	6.66
123¾	107	Treasury 13¾pc '97‡‡	115	+⅛	11.42	10.91
103¼	89½	Exchequer 10½pc 1997	101⅞	+⅛	10.69	10.73
92	80½	Treasury 8¾pc 1997‡‡	90⅝	+⅛	9.94	10.42
131¼	120¼	Exch. 15pc 1997	129¾	+⅛	11.81	11.19
78¾	69½	Treasury 9pc '98-98‡‡	75¾	+⅛	9.06	10.61
137¼	124¼	Treas. 15½pc '98‡‡	133⅝	+⅛	11.75	11.61
114½	101	Exch. 12pc 1998	109¾	+⅛	11.06	10.80

Over Fifteen Years

1983 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
99	86¼	Treasury 9¾pc 1999‡‡	93¼xd	+⅛	10.11	10.31
115⅞	103¾	Exch. 12½pc 1999	113¾	+⅛	11.07	10.78
104¼	92¼	Treasury 10½pc 1999	108½	+⅛	10.54	10.56
100	89	Convers'n 10¼pc 1999	98¼	+⅛	10.46	10.52
124¼	106	Treas. 13pc 2000	116¼xd	+⅛	11.19	10.74
128¾	113¾	Treas. 14pc '98-01	122¾	+⅛	11.53	10.95
116¾	99¼	Exch. 12pc '99-02	108⅝xd	+⅛	10.94	10.70
130	111	Treas. 13½pc 2000-03	121¼xd	+⅛	11.18	10.74
113¾	99¼	Treasury 11¾pc '01-04	111¼	+⅛	10.62	10.41
50¾	43½	Funding 3½pc '99-04	48¾xd	+⅛	7.21	9.05
122¾	106½	Treasury 12¾pc '03-05	118¾	+⅛	10.69	10.41
87¾	77¼	Treasury 8pc '02-06‡‡	85	+⅛	9.40	9.81
117¾	99	Treasury 11¾pc 03-07	113¾xd	+⅛	10.58	10.37
129¾	115	Treas. 13½pc '04-08	128¾	+⅛	10.80	10.48
65½	53¾	Treasury 5¾pc '08-12‡‡	63	+⅛	8.96	9.40
87¾	71¾	Treasury 7¾pc '12-15‡‡	84½	+⅛	9.53	9.62
122½	106¼	Exch. 12pc '13-'17	118⅝	+⅛	10.16	10.03

Undated

1983 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
42	35¼	Consols 4pc	41¾	+⅛	10.08	—
37¼	31¼	War Loan 3½pc‡‡	35¾	+⅛	9.94	—
47¼	37½	Conv. 3½pc '61 Aft	43¾	+⅛	8.14	—
32	28¼	Treasury 3pc 66 Aft	30½	+⅛	10.05	—
25¾	22¼	Consols 2½pc	25¼	+⅛	9.96	—
25¾	22¼	Treasury 2½pc	25¼	+⅛	10.12	—

Index-Linked

1983 High	Low	Stock	Price £	+ or -	Yield (1)	Yield (2)
106	98¾	Treas. 2pc I.L. '88	105	+⅛	2.73	3.21
111¼	99¾	Do. 2pc I.L. '96	106¾	+⅛	3.19	3.36
105¾	93¼	Do. 2½pc I.L. 2001	97	.....	3.06	3.19
104	91¼	Do. 2pc I.L. 2003	96	.....	3.02	3.14
107½	94¼	Do. 2pc I.L. 2006	99¾xd	.....	2.95	3.05
104½	91¼	Do. 2½pc I.L. 2009	95½	.....	2.96	3.06
109½	97	Do. 2½pc I.L. 2011	101¾	.....	2.92	3.01
100¼	88¼	Do. 2½pc I.L. 2016	93¼	.....	2.95	2.95
92¼	81¼	Do. 2½pc I.L. 2024	91¼	.....	2.82	2.90

Prospective real redemption rate on projected inflation of (1) 10% and (2) 7%

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

1983 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
120½	102½	Australia 13½pc 2010	119¾	+⅛	11.80	11.72
30¾	25¾	Do 11¼pc Ln 2013	28¾	+⅛	11.49	11.48
97¼	85	Euro Inv Bk 13pc Ln 2003	98¼	+⅛	11.50	11.56
107¼	103½	Finland 14¼pc Ln 1986	106½	+⅛	13.62	11.28
108¾	98¼	Int-Am Dev Bk 12¾pc 2003	102xd	+⅛	12.18	12.14
106¼	102½	Int. Bank 13¾pc 1986	105¾	.....	12.86	11.11
108¾	104¼	Do. 14pc Ln 1987	107¼	+⅛	13.07	11.31
102¼	96¼	Malysia 12¼pc Ln '88	101¼	.....	12.11	11.92
97¼	77¾	New Zld 15½pc 2003	96	+⅛	16.13	13.12
103	95¾	Do. 11pc 1987	101¾	+⅛	11.04	11.04
114¾	102	Treasury 12¼pc '92‡‡	107¾xd	+⅛	11.75	11.33
100	88¼	Treasury 10pc 1992	99	+⅛	10.47	10.79
110¼	98½	Exch. 12¼pc '92	109⅝	+⅛	11.64	11.22
116	106½	Exchequer 13½pc '92	115¾	+⅛	12.00	11.51
114	101¼	Treasury 12½pc '93‡‡	107¾xd	+⅛	11.59	11.11
79¾	71	Funding 6pc 1993‡‡	77¾	+⅛	7.89	9.85
120¼	110½	Treasury 13¼pc 1993‡‡	115¾	+⅛	12.00	11.27
125¼	112⅞	Treasury 14½pc '94‡‡	124⅝	+⅛	12.04	11.12
117¼	109¼	Exchequer 13½pc 1994	115½	+⅛	11.91	11.24
113⅞	100½	Exch. 12½pc 1994	112⅞	+⅛	11.50	11.29
94¼	86¼	Treasury 9pc '94‡‡	93¼	+⅛	9.34	10.44
118¼	98	Treasury 12½pc '95	104⅞xd	+⅛	11.39	11.12
65¼	61½	Gas 3pc '90/95	63½	.....	4.76	8.00
101¼	88¼	Exch. 10¼pc 1995	94⅞xd	+⅛	10.73	10.91
116¼	106¼	Treasury 12¾pc '95‡‡	112¼	+⅛	11.47	10.99
126¼	116	Treas. 14pc '96	117⅞xd	+⅛	11.80	11.16
93¼	83¼	Treasury 9pc '97/96‡‡	92¼	+⅛	9.93	10.40
133⅞	121¾	Treasury 15pc '96‡‡	129¾	+⅛	11.90	11.13
121¼	109¾	Exchequer 13½pc '96‡‡	116¼	+⅛	11.58	10.93
70	58	Redemption 3pc 1986-96	69½	.....	4.33	6.66
123¾	107	Treasury 13¾pc '97‡‡	115	+⅛	11.42	10.91
103¼	89½	Exchequer 10½pc 1997	101⅞	+⅛	10.69	10.73
92	80½	Treasury 8¾pc 1997‡‡	90⅝	+⅛	9.94	10.42
131¼	120¼	Exch. 15pc 1997	129¾	+⅛	11.81	11.19
78¾	69½	Treasury 9pc '98-98‡‡	75¾	+⅛	9.06	10.61
137¼	124¼	Treas. 15½pc '98‡‡	133⅝	+⅛	11.75	11.61
114½	101	Exch. 12pc 1998	109¾	+⅛	11.06	10.80

CORPORATION LOANS

1983 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
101¼	97	Bath 11¼pc 1985	100¾	.....	11.17	10.77
103½	99¼	Birm'ham 12½pc 1985	102¾	.....	12.11	10.47
105¾	101½	Burnley 13pc 1987	104¼	.....	12.61	11.29
100¾	92¼	Cardiff 11pc 1986	100	+⅛	11.80	10.98
102¼	100¼	G.L.C. 13¼pc 1984	100½	.....	13.19	9.97
80¼	70½	Do. 6¼pc 90-92	80¼	.....	2.65	10.84
88¼	82¼	Herts 6¼pc 1985-87	88¼	+⅛	7.66	10.75
119	107½	Leeds 13½pc 2006	118¼	+⅛	11.49	11.54
100¼	97	Liverpool 9¼pc '80-84	100	.....	9.75	9.73
30½	27½	D. 3¼pc Irred.	30	.....	11.76	—
98¼	93¼	Lon. Corp. 9¼pc '84-85	98¼	.....	9.42	10.31
98	81¼	LCC 5½pc '82-84	97¼	+⅛	5.63	9.43
85¼	78¼	Do. 5½pc '85-87	85	.....	6.47	10.76
83	75	Do. 6¼pc '88-90	80½xd	+½	8.33	10.87
26¼	23¼	Do. 3pc '20 Aft.	25¼	.....	11.87	—
103	100	Sunderland 12¼pc 1984	102	.....	12.01	10.83

COMMONWEALTH AND AFRICAN LOANS

1983 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
84¼	74¼	N.Z. 7¼pc 1988-92	80¼	.....	9.99	10.77
94¼	88¼	Do. 7½pc '83-86	93	.....	8.07	10.72
181	158	S. Rhod. 2½pc Non-Ass.	180	.....	—	—
86	74	Do. 3½pc 80-85 Asstd.	82	.....	4.29	34.90
57	44	Do. 4½pc 87-92 Asstd.	54	.....	8.43	14.28
395	321	Zimbabwe Am (£100pa)	340	.....	—	15.70

LOANS
Building Societies

1983 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
100¾	99	N'wide 11¾pc 23.1.84	100¼	.....	11.86	10.14
100¾	100	Do. 11¾pc 23.2.84	100¼	.....	11.86	10.56
100¼	99	Do. 11¾pc 19.3.84	100¼	.....	11.22	10.08
100¾	99¾	Do. 11¼pc 9.9.84	100¼	.....	11.22	10.28
100¾	99¾	Do. 10¾pc 30.4.84	100¼	.....	10.67	10.00
100¾	99¾	Do. 10¾pc 20.5.84	100¼	.....	10.69	10.15
100¾	99¾	Do. 10¾pc 10.6.84	100¼	.....	10.84	10.06
100¼	99½	Do. 10¾pc 9.7.84	100¼	.....	10.51	9.56
100¾	99¾	Do. 10¾pc 30.7.84	100¼	.....	10.83	10.14
100½	100¼	Do. 11¼pc 20.8.84	100½	.....	11.20	10.47
100¾	99¾	Do. 11pc 3.9.84	100½	.....	10.97	10.45

LOANS—continued

1983 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
		Public Board and Ind.				
77½	71¼	Agric. Mt. 5pc '59-99	74xd	.....	6.73	11.37
37¼	31¼	Met. Wtr. 3pc 'B'	34¼	.....	0.56	11.15
		Financial				
97½	92	Iow in Ind 6¾pc Dr '81-'84	96½	.....	6.53	10.80
106½	96¼	Do. 10¼pc Un.Ln '86	98	.....	11.27	14.30
104	96½	Do. 11pc Uns.Ln. '88	101	+½	11.46	12.30
104½	97½	Do. 13¼pc Uns.Ln. '90	102xd	.....	12.18	12.60
107½	91½	Do. 12½pc Uns.Ln. 1992	107½	.....	11.98	11.70
81½	74½	Do. 7¼pc A Deb '89-92	79	.....	9.24	11.10
80	70½	Do. 7¼pc ADeb. '91-94	79	.....	9.48	11.00
90½	80½	Do. 9% A '91-'94	98½	.....	10.17	10.85
89½	72¼	Do. 8¾pc Ln. '92-97	89	.....	10.34	10.80

FOREIGN BONDS & RAILS

1983 High	Low	Stock	Price £	+ or -	Div. % Basis	Red. Yield
15	0	Chinese 4½pc 1898	13	.....	—	—
11	10	Do. 5pc 1912	10	.....	—	—
12	8	Do. 5pc 1913	9	.....	—	—
9½	5½	Do. 5pc '25 Bonds	9	.....	—	—
48	40	Greek 7pc Ass.	48	.....	3½	17.29
46	41	Do. 6pc 28 Sth. Ass.	46	.....	3	16.59
44	38	Do 4pc Mixed Ass.	44	.....	2	14.60
34	27	Hung. '24 Ass.	34	.....	2¼	8.52
122½	102½	Hydro Quebec 15pc Ln 2011	117½	.....	15	12.77
82	75	Iceland 6½pc '53-88	82	.....	6½	12.20
111½	94½	Do. 14¼pc Ln. 2016	110	.....	14½	13.84
88½	78¾	Ireland 9¼% '91-'94	88¼	.....	9¼	11.99
302	275	Japan 4pc '10 Ass	301	.....	—	—
92	81½	Do. 4pc '53-Ser	92	+¼	6	7.97
161	161	Peru Ass. 2007	161	.....	5.22	13.29
592	575	Turin 9pc 1991	592	.....	9	19.78
DM95	DM88	Turin 6½pc 1984	DM95	.....	6½	11.90

AMERICANS

1983 High	Low	Stock	Price £	+ or -	Div. Basis	Cvr	Yld Gr's
35¾	22¼	Abbott Labs. 2	33½	+⅛	$1.00	—	2.1
31¾	17¾	Alcoa 1$	30	+⅛	$1.20	—	2.7
19½	13¾	Amax $1	17¼	+½	20c	—	0.8
18⅝	07⅝	Amdahl	13½	+½	20c	—	1.0
32¼	20¼	Amer. Express $0.60	21¾	+⅛	$1.28	—	4.0
26¾	14¾	Amer. Medical Intl. $1	15	+⅛	4c	—	0.2
38¾	30¼	Amer. Nat. Res. $1	30½	+⅛	$3.16	—	7.0
46¼	36¾	American T. & T. Co.	45	.....	$5.40	—	0.0
21½	14	Amfac Inc	21⅛	.....	$1.44	—	4.5
16	12	Bank America Corpn.	14¾	+⅛	$1.52	—	7.0
32⅝	22⅛	Bankers N.Y. $10	32	+½	$2.25	—	4.7
19	11¾	▽Beth Steel $8	12⅞	+⅛	60c	—	2.1
31¼	21¼	Boeing $5	30½xd	.....	96c	—	2.1
23¾	10¾	Brunswick Corpn. $1	20	.....	60c	—	2.0
29	22¼	C.P.C. 25c	29	+⅛	$2.20	—	5.1
43½	28⅛	Campbell Soup	43½	+⅛	$2.30	—	3.5
24¼	20¼	Caterpillar $1	33¼xd	+⅛	$1.50	—	5.0
31¾	25	Chase M'hat. $12.5	31⅞	+⅛	$3.50	—	7.4
30	26¼	Chemical N.Y. Corpn.	29¾	+⅛	$1.24	—	5.8
26¾	18¾	Cities Service $1	26¾	+⅛	$1.84	—	4.6
22¼	11	Chrysler 56¼	18¾	+⅛	—	—	—
29½	20¼	Citicorp $4	25¼xd	+⅛	$1.88	—	5.0
28½	17	City Inv. $1.25	26¾xd	+½	$1.80	—	4.5
19¼	13¼	Do. Cnv. Pf. B $2	18	.....	$2.00	—	7.4
16¼	11½	Colgate-P. $1	15¾	+⅛	$1.28	—	5.5
36¾	19¼	Colt Inds. $1	36xd	+⅛	$2.00	—	5.5
35½	25	Consol. Foods $1⅓	34¼	+⅛	$2.32	—	4.5
16¾	12	Cont. Illinois $5	15⅞	+⅛	$2.00	—	7.7
27	17¼	Crown Zell. $5	25¾	+⅛	$1.00	—	2.6
867p	410p	Dansom Oil US$0.4	634p	-1	—	—	—
22½	12¼	Dana Corp. $1	20½	-⅛	874.7c	—	2.4
103p	76p	Derna-Lack Medical	80p	.....	—	—	—
38¾	27¾	Eaton Corp. $0.50	37¾	.....	80c	—	1.4
29¾	17¾	Esmark $1	29¾xd	+½	$1.04	—	2.4
27¼	17¾	▽Exxon $1	26½	+⅛	$3.20	—	0.1
16¼	730p	Fin. Corp. America	15¾xd	.....	634c	—	1.7
18¾	10¾	First Chicago $5	17	+½	$1.32	—	5.2
28½	22¾	Florida Power & Light	28¾	+⅛	$3.60	—	8.5
15¾	10¾	Fluor Corp. $2½	12¼xd	+⅛	80c	—	4.2
15¾	12¼	Ford Motor $2	28¾	+⅛	$1.20	—	4.3
24¾	16¾	Gen. Dynamics	22¾xd	+⅛	$1.20	—	3.5
51	35	Gen Elect $1¼	39¾	+⅛	$2.00	—	3.4
37¼	24¾	General Foods Corpn. $1	36¾	+½	$2.40	—	4.4
35	26¼	Gillette $1	32⅞xd	-⅛	$2.30	—	4.7
28¼	18¾	Gulf Oil	30¼	+⅛	$3.00	—	6.7
64	41	Honeywell $1.50	55¾	+1	$3.60	—	2.5
40¼	31¼	Hutton (E.F.) $1	33	-⅛	80c	—	2.3
37¼	27¼	I.B.M. Corp. $1.25	35	+⅛	$3.80	—	3.0
49¾	38¾	Ingersoll-R $2	35½	+⅛	$2.60	—	4.9
17¾	12¼	Intelco $1	13¾	.....	$1.00	—	5.0
19¾	14¼	I. U. International $1	15¾	+⅛	$1.15	—	4.9
31½	18½	Int. Tel. & Tel. $1	30	.....	$2.76	—	6.1
31¼	16¼	Lockheed Corp'n	27½	+⅛	—	—	—
24¼	15½	Lone Star Inds.	19¾	.....	$1.90	—	6.5
28¾	13	Louisiana Land $0.15	17¼	+⅛	$1.40	—	7.5
31	22	Mapco Inc US$0.50	25¾	+⅛	$3.04	—	7.5
27¾	23¾	Manf. Han. US$7.50	27¼	-⅛	$1.80	—	2.4
24¾	17¼	Merrill Lynch $1	22½	+⅛	$1.40	—	6.4
49¾	40¾	Morgan (JP) US$2.5	49½xd	+⅛	$4.00	—	5.4
19¾	9½	Pacific Gas & Elect $5	10¾	+⅛	$1.60	—	9.9
27¾	21¾	Pennzoil Co.	23¼	-⅛	$2.20	—	6.3
26¾	16	Pillsbury	25¾	+⅛	$1.40	—	—
45¾	35½	Quaker Oats US$5	41½	+⅛	$2.20	—	5.5
32¾	23	Reg. N.Y. Corp. $5	25¼xd	+⅛	$1.52	—	4.0
12¾	8½	Reynard $5	12½	+⅛	40c	—	2.1
23¾	13¼	Rockwell Intl. $1	23¾	+⅛	$0.88	—	2.6
24¾	90¾	Rohr Inds Inc $1	24¼	.....	—	—	—
14¾	9¾	SCA Services Inc.	10¾	.....	20c	—	1.3
10	59¾p	Saul (B. F.) $1	9¾p	-10	20c	—	2.4
32¾	22¾	▽Shell Oil $1	27¼	.....	$2.00	—	10.6
32¾	28	Sperry Corp. $0.50	32¼	+⅛	$1.92	—	6.0
33¾	23¾	Sun Co. Inc.	30¾	+⅛	$2.30	—	5.0
57¾	40¾	TRW Inc. $1¼	55½	+⅛	$2.80	—	5.4
28½	20	Tenneco $5	27¼	.....	$2.80	—	6.8
169	119	Do. 30% Ln Sk. '91-95	156	.....	10%	—	16.6
25½	18¾	Texaco $6.25	25	+⅛	$3.00	—	8.0
50¾	29¾	Time Inc. $1	44¾	-⅛	$1.00	—	1.5
23¾	13¾	Transamerica $1	21¾xd	.....	$1.40	—	4.7
48¾	31½	Union Carbide $1	44¾	+⅛	$3.40	—	5.2
51	33¾	Unt. Tech. $US5	51¾	+⅛	$2.60	—	5.5
20¾	12¾	▽U.S. Steel $1	28	-½	$1.00	—	3.5
26¾	14¾	▽Woolworth 33⅓	25½	+⅛	$1.80	—	4.7
14¾	9⅞p	Zapata Corp. 25c	11½	.....	84c	—	4.9

CANADIANS

1983 High	Low	Stock	Price £	+ or -	Div. Basis	Cvr	Yld Gr's
15½	11¾	Bk. Montreal $2	15½	-⅛	$1.96	—	6.8
24¾	14¾	Bk. Nova Scot. $1	24¾xd	.....	$2.04	—	4.5
11¾p	9p	Barrick Res Corp.	11¾p	.....	—	—	—
17¾xd	11¾	Bell Canada 2	17¾xd	.....	$2.18	—	6.7
14½	12¾	Bow Valley $1	14½	-⅛	15c	—	0.6
21¼xd	14	Brascan $1	21¼xd	+⅛	$1.60	—	4.0
45¾p	28	Brunswick Res	45¾p	-2p	—	—	—
17¾xd	14	Can. Imp. Bk. $2	17¾xd	-⅛	$2.08	—	6.3
29¾	17¾	Can. Pacific $5	29	-⅛	$1.40	—	2.6
36¾	28	Do. 4pc Deb. £100	36½	.....	4%	—	10.9
13¾	8¾p	Can. P. Ent. 1	13¾xd	.....	80c	—	3.3
18¾	6¾	▽Cominco Res Inc.	14¾p	+⅛	—	—	—
13¾	7¾p	▽Gulf Can. 1	9¾p	+⅛	4¾c	—	2.5
12¾	7¾	▽Hawker Sid Can$1	10½	+⅛	9¾c	—	9.9
13¾	9¾	▽Imperial Oil $2	13¾	.....	$2.20	—	2.8
33¾	22	Incol	30	.....	US20c	—	1.5
46¾xd	35	Int'l Corona Res.	46¾xd	-35	—	—	—
8¾p	4	▽Int'l Nat Gas $1	8¾p	-⅛	$1.10	—	7.0
33¾p	27	▽Massey Ferg. 1	33¾p	+⅛	—	—	—
18¾	9¾	▽Mc Alpine	18¾	-⅛	50c	—	2.5
19¾xd	13¾	Royal Bk Can 1	19¾xd	+⅛	$2.00	—	5.7
25¾	15½	Seagram Co. C$1	25¾	+⅛	US$8.40	—	1.8
78p	65p	▽Talcorp	78p	.....	—	—	—
146p	115p	▽Do pref $3	146p	.....	10%	11.2	100
902pr	637p	Tor. Dom. Bk.

INDUSTRIALS—Continued

1983 High	Low	Stock	Price	+or −	Div. Net	C'vr	Y'ld Gr's	P/E
64	39	Kalamazoo 10p	42	.....	3 33	3.8	11 3	7 1
60	35	†Keen & Scott Hdgs	44	.....	Nil 0	—	2.4	—
23	9¼	Keep Trust 5p	11½	−½	±0 15	—	‡	—
210	140	Kelsey Inds.	200	.....	0 0	1.7	5 7	11 8
130	58	Kennedy Smale	82	−1	◆	—	—	—
155	110	Kershaw (A.) 5p	135	.....	‡15.0	0.6	‡	(28.1)
80	39	Ween-E-Z-E Hldgs.	76xd	.....	H 5	0.5	9.2	—
101	52	L.C.P. Hlds.	77	−1	3.6	1.5	6.7	(11.9)
32	14	LDH Group	27	+½	—	—	—	◆
132	93	L.R.C. Int. 10p	123	+1	†H2.95	2.6	3.8	12.6
38	17	Lamont Hldgs. 10p	38	.....	†1.3	1.8	4.9	24.9
41	26	Lawtex	40	.....	—	—	—	◆
480	345	Leg Group 10p	460	.....	17.5	0.3	5.5	63.2
49	22	Lilleshall 10p	48	.....	d1.0	—	3.0	—
350	24	Lon. & Liv. 10p	29	+2	N2.75	3.1	13.5	2.6
135	97	London & Mid'd.	124	.....	7.73	1.1	9.2	13.5
50	20	Do. Defd.	45	.....	—	—	—	5.6
*110½	38	Lon. & Nthn. Grp	67½	.....	F4.2	2.0	8.9	9.5
40	10	†Lon. Prtr. Health	19	.....	—	—	—	7.5
65	46	Longton Inds.	58	.....	3 0	—	2.5	—
144	70	Low & Bonar 50p	134	.....	†5 0	2.8	5.3	(7.5)
48	32½	MCD Group	43½	.....	†1.0	2.2	3.3	24.9
		for MMT Computing see Electricals						
27	16	M.Y. Dart. 10p	27	.....	20.25	—	1.3	—
212	134	M'Cr'rdy Ph. 20p	140	.....	7.0	2.7	7.1	6.6
148	128	Macfarlane Gp.	134	.....	†3.52	2.1	3.8	16.4
46	33	Macallan 20p	39	.....	d1.5	1.6	6.3	12.2
63	31	Macpherson (D.J.)	39½	−2	4.2	0.6	15.2	(21.8)
56	41	Magnolia Group	53	.....	2.3	3.2	6.2	6.2
72	68	Mainend Hldg. 10p	68	.....	—	—	—	72.6
180	65	Man. Ship Can. £1	148	.....	3.5	6.8	3.7	4.2
79	48	Marley	79	.....	†2.5	8.5	4.5	(5.6)
47	30½	Marling Ind. 10p	43½xd	−½	†1.08	1.7	3.5	(3.6)
34	25	Marshall L'ey. 'A'	31	.....	‡1.2	—	‡	—
70	44	Marshall's Univ	66	.....	B—	—	—	13.2
32½	23	Martin-Black	29½	.....	—	—	—	—
£130	£83	*Matheson 7%	£96	.....	07%	2.5	10.4	—
308	154	Metal Box £1	302	−2	†11.55	3.2	5.5	(7.4)
132	104	Metal Closures	128	−1	6.7	1.8	6.4	(8.3)
36½	15	†Metal Scients 2½p	15	−2	—	—	—	—
15	6	Metamec Jentspur	15xd	+2½	0.01	—	0.1	—
30	3	Metsey	7xd	.....	—	—	—	◆
147	70	Midland Inds Grp	115	.....	4.8	2.1	3.0	13.8
56	21	Moben Grp 1p	25	.....	†0.19	15.4	1.1	6.2
£271	£150	*Monsanto Sec 82-6	£240	.....	05%	—	f2.1	—
135	76	Morgan Crucible	135	.....	†7.5	8.6	7.9	(15.8)
90	54	Moss (Robt.) 10p	89	−1	†2.0	2.4	3.2	16.5
295	155	Motor Mfr Computer	192	+7	4.0	4.0	11.9	9.3
67	42½	Nash Inds.	67	.....	4.0	◆	0.9	◆
31	11	Neill&Sp'cer 10p	28	.....	—	—	—	—
64	48	New Equip 10p.	51	.....	1.15	6.8	3.2	6.5
73	20	Norton	39½xd	.....	1.0	2.9	3.6	13.9
157	117	Norcros	143	−6	†7.0	2.2	7.1	9.5
89	46	Nu-Swift 5p	65	.....	2.14	3.3	4.7	20.9
140	93	Oakwood Hldgs.	100	.....	d6.5	3.1	3.9	7.3
325	185	Office & Elect.	188	.....	7.5	2.8	5.7	8.8
950	712	Oriflame Intl SA.	750	+25	†Q50c	2.2	4.5	18.0
40	13½	Owensiove 12½p	33½	.....	†Q3½c	2.8	6.1	5.9
£132	£93½	Oxalid Fin. Cv.	£131	+8	09%	—	f6.9	—
161	150	†PCT Group 10p.	153	.....	h4.8	2.1	4.4	14.5
84	45	P.W. Industrials	68	.....	5.8	2.8	10.5	5.5
231	178	Parker Knoll 'A'	218	.....	7.5	3.4	4.3	12.5
304	235	Pauls & Whites	247xd	+2	8.0	3.5	4.6	6.8
400	270	Pearson(S.)&Son	386	−4	†11.2	2.7	4.1	18.0
42	10	Peek Holdings	34	−1	—	—	—	17.9
97	82	Peerless	97	.....	6.3	1.6	9.3	(10.2)
65	49	Pentland 10p	65	.....	†1.83	2.8	4.0	(9.8)
19	6	Pentos 10p	17	+1	B—	—	—	—
87	37	Philips	73½	.....	1.25	1.8	1.7	19.2
633	358	Photo-Me 50p	608xc	.....	h7.88	5.7	1.9	18.5
155	115	Pilkington Br. £1	220xd	−3	10.5	2.5	6.8	(6.7)
£209	£99	Pitty Bowes Ln.	£168	.....	05%	—	3.0	—
30	24	Plastic Const. 10p.	30	.....	d2.17	0.6	10.3	(15.1)
11	6	Platignum 5p	7½	.....	B—	—	—	—
£395½	£138½	Polly Peck 5p	£262½	+8½	28.0	◆	1.5	◆
245	12	Portmarck 10p	27	.....	—	—	—	—
97	67	D. Cecil&Part'r A £1	67	.....	10%	—	21.3	—
620	540	Portals	583	.....	†15.3	3.0	3.8	12.5
*270	215	Powell Duff. 50p	264	+2	†14.25	1.6	7.7	18.0
230	172	Prestige Group.	223	.....	†16.28	2.3	4.4	12.4
*170	108	Pritchard Svs.	168	−1	†3.45	2.8	4.6	15.2
86	61	R.F.D. Group 10p	84	+½	†3.08	2.7	5.3	6.2
66	33	Radiant Metal	57	.....	1.8	3.2	2.5	7.7
195	104	Rank Hovis	190	.....	†8.0	1.6	3.1	16.6
450	372	Reckitt & Colman	438	+3	†10.75	2.7	3.6	12.1
127	73	Redfearn Glass	80	.....	0.1	—	0.2	—
61	19	Reed Exec 10p	60	.....	0.1	4.5	0.2	18.9
376	230	Reed Intl. £1	372	.....	14.0	2.9	5.4	8.1
44	22	Reliance Int 20p	36	.....	1.75	2.7	6.9	6.1
124	97	Relyon	118	.....	†4.42	1.9	5.7	13.1
204	164	Renown Inc 'A50p	187	−4	025%	2.1	1.8	25.1
95	83	Renwick Group.	95	.....	—	—	65.1	10.2
150	182	Restmor	144	.....	6.5	2.2	6.4	9.9
37½	20	Rexmore	34	.....	†1.3	1.9	5.5	11.3
154	84	Ricardo	84	.....	h2.5	2.7	4.2	18.4
9	5	Rock 10p	9½	.....	—	—	—	—
48	16	Rockware	22	.....	—	—	—	6.2
146	80	*Rolls & Hoim 10p.	120	.....	2.73	4.1	2.8	11.8
132	90	Rotaprint	100	+1	4.5	2.2	6.6	9.6
132	91	Do. 'A'	97	.....	4.5	2.2	6.6	9.6
15½	7	Rotaprint 5p	11	−1	0.1	5.2	1.3	5.3
290	115	R.H.P. Cp.Bd.Pf.£1	200	−5	11½%	—	8.2	—
385	125	Royal Worcs	384	.....	†11.47	1.4	4.3	51.1
94	70	Russell (A.) 10p	75xd	+3	†H0.93	3.8	1.8	10.3
500	422	Ryan Int'l 5p	12	−½	—	—	—	4.5
55	28	SI Group 5p	55	+1	1.38	2.9	3.6	10.7
268	152	Sale Tilney	267	.....	†8.75	2.9	4.7	(8.3)
105	51	Sandwell Hldg. 10p.	105	.....	†H1.29	4.0	1.8	18.1
56	34	Sangers	47	−1	B—	—	—	—
307	170	Scapa Group	294xd	+2	†7.6	2.6	3.7	11.7
541	425½	Schlumberger $1	432½	.....	Q51.04	—	—	21.7
94	48	Scotcros	52ξ	.....	5.52	2.4	15.2	2.7
82	39	Scott, Robertson	71	.....	†1.6	1.3	6.3	16.1
55½	37	Scot. Heritable	46	.....	2.0	1.3	6.2	16.2
87	56	Sears Hldgs.	81	.....	†H1.87	2.4	3.3	16.8
322	260	Securicor Gp.	265	.....	†1.3	9.1	0.7	22.5
320	240	Do. 'A' N-V	253	.....	†1.3	9.1	0.7	21.5
153	123	*Securicor Cons 5p	130	.....	h1.75	2.6	2.5	33.1
260	250	Security Services	285	.....	†2.47	4.5	1.2	29.8
330	227	Do. 'A' N-V	260	.....	†2.47	4.3	1.2	29.8
105	68	Sharna Ware 20p	86	−1	2.23	4.3	3.1	0.9
135	93	†Sheldon Jones	93	.....	4.35	2.4	6.7	8.5
136	42	Shiloh	68	.....	2.6	5.8	4.2	4.8
453	270	Sidlaw Group 50p	424xd	+2	16.9	◆	5.4	◆
381	255	Siebe Gorman	340	.....	†9.45	2.5	4.0	14.8
86	64	Silentnight 10p.	68	.....	2.5	3.3	3.3	6.9
39	26	Silv'rthorne 10p	29	.....	1.6	2.9	5.4	6.0
110	80	*Sirdar (Hld Hldg.)	89	.....	†4.25	◆	7.6	◆
424	362	Slatcherly	402	.....	†12.0	2.6	4.3	12.4
186	127	Smith&Nep'h 10p	166	+3	†h3.67	2.2	3.2	16.9
467	350	Smiths Inds. 50p	467	+5	11.5	2.4	3.5	14.0
44	39	Solic. Law 20p.	36	.....	—	—	—	—
30	19	Somic	27	.....	mil 5	—	2.4	—
£47	£25	Sorbex (W) All N50	£46½	.....	Q11%	2.9	1.0	33.8
695	410	Southby D.G.	695xd	.....	—	—	—	—
74	46	Spicers (L.W.)10p	57	.....	1.25	4.1	3.1	7.5
55	38	Spear (J.W.)	50	.....	0.1	—	0.3	—
27½	14	Spong Hldgs 5p	14	.....	—	—	—	—
86½	42	Spring Grove	42	−2	†H4.0	1.6	‡(5.8)	—
345	218	*Spring Ram Cpn 10p	345	.....	d3.0	2.3	2.4	21.6
56	22	Staffs. Posts	55	.....	—	—	—	—
346	82	St. Ab'ns Int N-V £1	145xd	.....	10%	—	9.9	—
150	90	Stag Furniture	90	.....	5.0	0.8	7.9	(10.1)
130	92½	*Stakis Holdings	118	.....	†4.2	◆	3.6	◆
124	90½	Std. Fireworks	124	.....	6.5	5.3	5.4	5.4
53	27	Standard Ind.	36	+3	—	—	—	—
55	38	*Stanrelco 30p	53	.....	—	—	—	—
320	215	Star Comp. 10p	250	−10	‡2.5	5.2	1.4	15.0
245	146	Sterley	245	+3	†4.55	2.5	4.6	11.6
115	40	Sterling Inds. 25p	115	+3	1.95	1.4	2.4	36.1
168	132	Stockdale	167	.....	12.0	3.1	10.3	3.4
60	49	Stonehill Hldg.	54	−3	‡2.0	—	4.5	—
265	139	Sunlight Serv. 10p	215	.....	h7.0	2.6	2.9	10.3
35	19	Sutcliffe Speak.	30	.....	—	—	—	13.4
£25½	£13½	Swallowfield 5p	£23	.....	Q16%	0.9	3.0	98.2
115½	76½	*Swire Pac 'A' 60c	127	−2	Y076c	1.5	0.9	12.4
164	110	Sykes	140	+16	d7.0	◆	9.4	◆
8	3½	Talbex 5p	5½	−1	‡1.0	0.8	‡	—
88	34	TSL Textile Synd	38	−1	‡1.0	0.8	‡	—
35½	6	Th. Times Vs. 5p	13½	.....	—	—	—	—
56	28	Third Mile Inv.	34	.....	1.75	2.7	6.9	6.1
144	83½	TNT ASD.50	134	−2	012c	3.6	5.4	11.6
137	90	Toothill R.W.	98	.....	7.0	3.1	4.9	12.0
82	55	Tor	72	.....	1.75	2.6	5.4	(12.5)
212	149	Trafalgar H. 20p	212xd	+5	0.5	2.3	5.7	8.8
237	145	Transcont. Serv. 50p	190xc	.....	h09.57	—	5.8	—
133	63	Do. Warrants	95ξ	.....	—	—	—	—
108	74	Transport Dev.	94	+1½	†4.45	1.6	4.6	11.7
80	60	*Trust Cons 10p.	68	.....	‡1.5	1.2	3.6	(11.9)
58	31	Tribehs	33	.....	0.13	—	0.5	—
76	24	Turner & New. £1	70	−2	0.25	—	0.5	—
70	28	*Twinlock 10p.	70	.....	†10.9	3.1	1.8	19.5
£100	£92½	*Ug Steels Ld. N-V	£100	.....	04125%	3.8	e15.0	—
97	33	UKO Intl.	87	.....	—	—	—	8.8
75	26	Unigroup	51	.....	—	—	—	61.5
890	695	Unilever	880	.....	Y28.83	2.7	4.1	8.6
£34	£25½	Un'v N.Y. Fl.12	£33½	.....	y04.2%	2.6	4.7	0.1
48½	32	Utd Drapery 5p	43½	+2½	0.6	—	2.0	—
116	87	*United Packaging 10p	88	.....	‡2.5	4.8	4.1	6.0
*148	100	Utd Parcels 10p	112	+2	‡2.8	3.0	3.6	13.0
For VW see VW. Thermax is Revised Equities								
139½	84	Valor	119	+2	‡3.5	3.0	—	—
298	220	Vinten Grp. 20p	280	+2	‡2.8	1.0	4.2	(8.3)
16	8	W' Rubber 10p	14	.....	—	—	—	—
71	35	Wade Potts. 10p	71	+1	2.2	◆	4.4	◆
26½	8½	Walter How. 5p	18½	.....	—	—	—	4.2
25	14	Waterford 5p	21½	.....	036%	—	1.4	6.5
652	595	Watsham's	638	.....	12.1	1.9	2.7	25.9
128	64	Watson R. K. 10p	84	−1	‡4.0	3.1	6.9	4.5
74	47	Wedgwood	122	.....	‡4.43	1.7	5.5	15.8
216	178	Wem. Band 10p	212	.....	7.5	3.5	4.9	12.4
114	76	West's Group Int.	107	.....	†4.2	—	3.7	20.1
680	470	Whatman R Appt.	485	.....	†6.0	4.1	1.4	21.5
173	87	Whitecroft	161	.....	†5.4	3.3	4.8	9.5
17	6	Widney 10p	16	+½	—	—	—	—
457	195	Wilkes (J.)	230	.....	4.31	—	—	—
10	4	*Willoughby Syd. 10p.	6	.....	—	—	—	—
26	10	Williams (J.)	24	.....	—	—	—	—
190	125	Wills (George)	126	+1	8.0	2.0	9.1	7.5
620	497	Wolseley-Hughes	532xd	.....	15.89	2.7	4.2	10.2
185	33	Wm'son Dist. 10p	175	+2	0.73	1.9	0.8	(28.3)
41	17	Wood (Arthur) 5p	40	.....	8.5	4.8	1.8	12.4
120	60	*Zygal Dyn. 5p.	115	.....	‡0.75	3.8	0.9	31.2

INSURANCE

£18	£12¼	Alexander & Alexander	£14½	−½	†031.00	—	4.5	—
£62	£51	Do. 12p Cm. $180	£57	.....	Q11%	—	†12.9	—
£22¼	£12	Allied Ven. Dm$82	£22	−1½	Q02%	—	1.2	—
£17½	£13¼	American Gen Corp.	£15½	−½	N26.7c	—	1.2	—
464	314	Britannic 5p	450	−10	†18.55	—	5.9	—
172	118	Brown (Dd)Gn 10p	172	+2	‡5.25	2.0	4.4	16.4
£23½	£17¼	Combined Int. $1	£23½	.....	Q52.00	—	5.7	—
188	124	Comm. Union	188	+4	11.0	—	9.8	—
732	345	Eagle Star	698	+8	†H10.0	—	3.3	—
£225	£111½	Equit UK 9pc Cnv.	£218xd	+16	09%	—	f4.1	—
774	549	Equity & Law 5p	767	−4	18.5	—	5.4	—
305	290	FAI Ins. $A0.50	280	.....	034%	4.0	3.7	6.0
477	354	Gen. Accident	450	+2	†17.0	—	5.4	—
547	354	G.R.E.	507	−2	†19.5	—	5.5	—
474	286	Hambro Life 50p	474	+4	h13.4	—	4.0	—
363	277	Heath (C.E.) 20p	326	.....	†14.75	2.5	6.4	8.4
136	93	Hogg Robinson	128	−1	3.0	1.7	6.7	12.5
324	322	Legal & General	322	.....	†15.5	—	4.2	—
£36	£16	Liberty Life SA R1	£29½	.....	h0172c	—	3.4	—
475	280	London & Man.	460	+2	†13.65	—	4.2	—
224	170	London United 20p	185	.....	g11.0	2.1	8.5	8.0
£33¼	£24	Marsh McLen'n $1	£33¼	+½	Q52.20	1.0	4.4	(14.6
142	99	Minet Hldgs. 20p	143	+3	†4.55	2.5	4.6	11.6
765	498	Pearl 5p	757	.....	30.0	—	3.7	—
405	288	Phoenix	386	+2	†17.5	—	6.5	—
500	371	Prudential	478	−4	†15.0	—	4.5	—
418	282	Refuge 5p	412	.....	16.75	—	5.8	—
572	425	Royal	505	−1	†26.5	—	7.5	—
254	180	Sedgwick Group 10p	238	−2	†7.0	2.7	4.2	12.7
139	97	Stenhouse	126xd	−1	†4.6	◆	7.5	◆
293	225	Stewart Wr. 20p	288	.....	†14.5	1.8	7.3	10.5
£14½	£9½	Sun Alliance £1	£14½	.....	†48.0	—	4.9	—
629	420	Sun Life 5p	617	−3	†13.4	—	3.2	—
725	568	*Tanks Mar EDR	674	−4	g010%	—	0.2	—
165	150	Trade Indemnity	168	.....	7.14	—	6.2	—
£22½	£14½	Travelers $2.50	£22½	−½	Q51.80	—	5.6	—
685	492	Willis Faber	645	+10	†17.5	2.5	3.6	15.6
58	21	Yorkshire (Hldg) 10p	38	.....	—	—	—	19.3

LEISURE

26½	20½	GA. & M. Hire 10p	21	.....	b0.1	11.1	0.7	23.2
78	69	G.R.TV Pref. £1	77	.....	5.95	17.8	11.0	—
103	78	Hilton Leisure 10p	92xd	.....	g02.0	◆	3.1	◆
145	114	Anglia TV 'A'	145	.....	6.5	2.7	6.4	7.4

LEISURE—Continued

1983 High	Low	Stock	Price	+or −	Div. Net	C'vr	Y'ld Gr's	P/E
112	85	Assoc. Leisure 5p	102	+2	†H4.13	2.1	5.8	14.4
128	72	Barr & Wr & T 'A'	89	.....	73.0	1.9	0.0	(7.0)
100	40	Black & Edgin.	70	+2	‡—	—	—	20.6
178	110	Bonney & Hawkes	155	.....	†2.3	1.5	2.1	(9.8)
61	35	Campari Int. 20p	41	.....	‡d2.73	1.2	‡	(11.1)
172	160	Central TV N/Vtg 50p	372	.....	—	—	—	—
40	23	Fairline Boats 10p	37xd	.....	1.75	◆	6.8	◆
47½	14½	GRA Group 5p	47	+½	—	—	—	60.8
69	43	Grampian TV A 10p.	68	.....	†3.6	2.9	7.6	5.5
198	136	HTV Non-Vtg	197	.....	11.0	2.2	8.0	8.3
222	118	Horizon	158	.....	†3.6	5.7	3.3	6.9
162	91	Intasun 10p	152	.....	4.0	4.5	3.8	6.0
60	22	Hotevision Video 10p	24	.....	1.0	◆	4.3	◆
405	258	Jetsam's Hldgs 2p	405	+5	h4.9	2.4	1.7	29.4
105	139	LWT "A"	178	.....	11.08	◆	8.9	◆
*147	47	Lesurekore Int 10p	47	.....	g1.54	◆	5.4	◆
132	97	Mogul Ag. M. 10p.	97	−2	8.75	1.6	12.9	7.0
80	52	Mecklester 10p	80	.....	4.4	1.7	7.9	18.4
370	110	Miss World Gp 10p.	250	.....	h3.0	2.5	2.7	21.8
25	17½	*Nationwide 5p	19	.....	—	—	—	—
128	23	*Nimslo Int 20p	23	−1	—	—	—	—
128	45½	Norton Opax. 10p	123	.....	†2.17	4.3	2.5	8.8
50	22½	*Owners Abroad	28½	.....	0.5	4.5	2.5	12.0
47	36	Phontax (Lon.)	37	.....	—	—	—	—
*147	84	*Pleasure Boat 9½p	100	.....	g1.5	◆	2.1	26.1
363	217½	Pleasurama 5p	335	.....	†5.73	4.5	2.5	20.0
173	108	*Radio City 'A' NV	158xd	.....	‡4p	1.6	3.1	17.1
209	138	Riley Leisure 10p	149	.....	†5.95	1.7	3.8	28.8
132	03	Saga Hols. 20p.	107xd	.....	d3.73	—	3.0	—
513	325	Samuelson Grp £1	325	.....	12.0	◆	3.5	◆
111	94	Scott. TV 'A' 10p	111	.....	7.35	2.2	9.5	6.8
68	27	*SelectTV 10p	30	.....	—	—	—	—
26	15½	TSW 5p	24	.....	1.2	2.2	7.1	9.3
79	30	*TVS N/Vtg 10p.	79	.....	—	—	—	—
29	19	*Tideway Secs 10p.	22	.....	h0.2	3.3	1.3	33.8
100	82	Tollerton Motor	87	+3	h4.0	1.9	6.6	(4.8)
127	64	Tridle TV 'A' 10p	116	−3	†4.26	1.6	5.2	19.9
180	105	*21st Century Dist	121	.....	—	—	—	—
24	14	Webb (Jos.) 5p.	17	+1	d0.51	0.5	4.3	—
88	75	Letters 5p	87	+3	3.10	2.9	5.1	9.6

MOTORS, AIRCRAFT TRADES

Motors and Cycles

1983 High	Low	Stock	Price	+or −	Div. Net	C'vr	Y'ld Gr's	P/E
01	18	B.L. 50p	62	+1	—	—	—	—
*68	43	*Kleinwort Inter 10p	50	+3	†1.0	3.7	2.9	8.1
255	186	Gen. Mts. Uslts	255	.....	Q12c	—	3.1	—
336	215	Honda Motor Y50	319	−17	†Q20%	9.1	0.9	12.3
64	16	Lotus Car 10p	49	−2	—	—	—	—
34	12	*Reliant Motor 10p.	21	.....	—	—	—	—
145	£30½	Volvo Kr50	£37¼	+½	†Q20%	2.3	2.3	19.0

Commercial Vehicles

1983 High	Low	Stock	Price	+or −	Div. Net	C'vr	Y'ld Gr's	P/E
50	28	E.R.F. (Hldgs.)	45	.....	3.3	7.3	5.9	◆
290	146	Plaxtons (GB)	225	−2	9.0	◆	5.9	◆
38	18	York Trailer 10p.	26	.....	B—	—	—	—

Components

1983 High	Low	Stock	Price	+or −	Div. Net	C'vr	Y'ld Gr's	P/E
66½	26	A.E.	63½	.....	1.4	◆	3.2	◆
92½	67½	Aerospace Eng.	77	.....	d4.88	1.7	9.0	9.4
152	87	Abbey Panels	94	.....	—	—	—	18.2
29	14	Airflow Stream	22	.....	0.73	4.2	4.9	7.1
26	14	Armstr'ng Eq. 10p	23½	+2½	0.1	—	0.8	—
40	20	Automotive	37	.....	0.5	—	1.9	—
37	27	Bloemel Bros.	37	.....	—	—	—	—
150	100	Dowty 50p	118	−3	3.9	3.0	4.7	8.8
81	38	Dunlop 50p	39	.....	‡2.0	—	‡	—
230	167	Flight Refuelling	225	+2	†h2.01	3.8	1.3	16.7
42	26	Hmn.Smith 10p	42	.....	G0.1	1.9	1.4	32.6
60	37	Kelt.Ful Weld Ind.	40	.....	†1.5	2.8	4.9	12.6
173	124	Lucas Ind. £1	163	+3	0.6	0.6	7.5	(6.6)
85	23	Solex A 50p	85	.....	4.3	—	7.2	—
37	23	Spring Ram 10p	33	.....	1.9	—	0.2	—
£355	£130	*Technitrol SA Fr100	£140	.....	FF150	◆	12.6	◆
33	11	Woodhead (J.)	27	.....	0.1	—	0.5	—

Garages and Distributors

1983 High	Low	Stock	Price	+or −	Div. Net	C'vr	Y'ld Gr's	P/E
122	93	Adams Gibbon	114	.....	†4.63	2.7	5.8	7.5
11½	8	Alexanders 10p	8¼	−¼	—	—	—	—
155	97	Appleyard Grp.	32	.....	—	—	—	—
156	98	Arlington Motor	155	+1	6.5	2.6	6.1	(7.2)
111	94	BSG Int. 10p.	105	+½	m0.1	—	1.0	—
68	27	C.S.E.T. 10p	43	.....	d1.05	3.5	6.5	9.5
26	15½	TSW 5p	24	.....	1.2	2.2	7.1	9.3
79

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
1-3 St Paul's Churchyard EC4P 4DX 01-236 1833

High Income				
Gilts & Fixed Int.	114.2	120.8xd	+0.3	9.93
High Inc Equity	54.1	58.2	+0.3	6.53
Capital Growth				
American Growth	102.8	110.5	+0.4	1.60
Assets & Engy. Tt	53.0	57.3	.....	3.66
Capital Reserve	50.8	57.1	.....	0.50
Commodity & Engy.	77.0	82.8	-0.4	3.06
General	88.0	95.1	.....	3.27
Japan	115.2	123.9	-1.0	0.24
UK Growth	52.8	57.4	+0.2	3.80
Acc Units	73.2	79.6	+0.4	3.80
US Emerging Co's	47.6	51.2	+0.1	0.50
Worldwide Bond	135.6	145.8	-0.2	3.77
Equities Prog.	121.7	131.6	+0.5	3.91

Aitken Hume
1, Worship St., EC2 01-628 6626

American Tech Fd	147.0	158.0	+0.5	—
Inc & Gwth Fd	32.3	34.7	.....	5.47
Pacific Fd	133.8	144.5	-2.2	1.20
Secure Income Fd	107.4	115.4	+1.0	7.30
Special Sits	147.0	158.0	+0.7	0.97
Energy Fd	221.8	238.6	-1.4	0.60
Exempt Fd	369.9	397.8	.....	3.06
Small Co's Fd	250.3	269.0	+0.5	2.46
Jap. Technology	55.8	60.0	-1.0	0.50

Allied Unit Trusts Limited (A.) (G.)
Allied Hambro Hse., Hutton, Brentwood, Essex Brentwood (0277) 211459 & 229123

Balanced Trusts				
First Trust	124.3	133.9	+0.2	4.71
Brit. Inds. Trust	110.3	118.0xd	+0.5	4.75
Growth & Income Tst	88.0	94.5	.....	3.60
Capital Trust	157.7	168.7	-0.3	2.54
Balanced Trust	212.9	227.8xd	+0.3	3.86
Accum Trust	312.8	334.7	+0.1	3.59
Income Trusts				
High Income Trust	134.0	143.4	+0.3	5.70
Equity Income Trust	73.4	78.5	+0.2	6.05
High Yield Trust	89.9	96.2	+0.2	7.15
Govt Secs Trust	28.5	30.4	.....	8.98
International Trusts				
International Trust	54.2	58.0	-0.4	1.09
Japan Trust	52.8	56.5xd	-0.9	0.32
Pacific Trust	102.1	109.2xd	-1.4	0.67
Amer Spec Sits Trust	49.3	52.8	.....	0.76
Secs of America Trust	141.5	151.4xd	+0.4	1.32
Specialist Trusts				
Gilt Growth Trust	30.5	32.4	+0.1	1.32
Smaller Co's Trust	82.3	88.1	+0.1	2.94
2nd Sir Co's Trust	106.9	114.4	+0.2	2.87
Recovery Trust	41.4	44.3	.....	3.34
Met Min & C'dty Trust	98.1	105.0	-0.2	2.15
Overseas Earnings Tst	112.6	120.5xd	+0.3	3.84
Technology Trust	83.2	89.0	.....	1.01
Exempt Trusts				
Income Exempt Trust	82.5	88.1	+0.5	5.75
Far East Exempt Trust	106.4	112.8xd	-1.5	1.07
Smaller Co Exempt Tst	140.3	150.1	-0.2	2.95
U.S.A. Exempt Trust	229.7	239.4	+0.6	1.39

Anderson Unit Trust Managers Ltd.
62, London Wall, EC2R 7DQ 01-638 1200

Anderson U.T.	100.1	108.3	+1.4	2.48

Anthony Wieler Unit Tst. Mgmt. Ltd.
19, Widegate St., London E1 7HP. 01-377 1010

Wieler Gwth Fd. Inc.	50.7	54.6	.....	1.50
Do. Accum.	67.7	72.8	.....	—

Arbuthnot Securities Ltd. (a)(c)
131, Finsbury Pavement, EC2A 1AY 01-628 9876

Capital Growth	41.3	[illegible]	[illegible]	2.51
(Accumulation)	45.6	[illegible]	[illegible]	2.51
Commodity	62.2	[illegible]	[illegible]	1.92
(Accumulation)	150.8	[illegible]	[illegible]	1.95
(10% Withdrawal)	54.9	[illegible]	[illegible]	1.95
Eastern & Internatl.	31.9	[illegible]	[illegible]	1.00
(6% Withdrawal)	49.5	[illegible]	[illegible]	1.00
Finance & Property	34.1	[illegible]	[illegible]	2.46
Foreign Gwth (5 for 1)	60.5	[illegible]	[illegible]	1.00
Gilt & Fixed	45.9	[illegible]	[illegible]	9.64
(Accumulation)	62.9	[illegible]	[illegible]	9.64
High Income	44.2	[illegible]	[illegible]	8.04
(Accumulation)	137.0	[illegible]	[illegible]	8.04
High Yield	49.8	[illegible]	[illegible]	9.74
(Accumulation)	111.4	[illegible]	+0.1	9.74
Managed Fund	50.1	[illegible]	[illegible]	—
North American	66.5	[illegible]	[illegible]	1.00
Preference	24.1	[illegible]	[illegible]	12.02
(Accumulation)	62.3	[illegible]	[illegible]	12.00
Smaller Companies	78.5	[illegible]	[illegible]	1.23
(Accumulation)	81.7	[illegible]	[illegible]	1.23
World Penny Share	9.2	[illegible]	[illegible]	2.53

Archway Unit Tst. Mgs. Ltd.(a)(c)
317, High Holborn, WC1V 7NL. 01-831 6233

Archway Fund	160.2	171.4xd	.....	5.33
Archway Growth Fund	29.0	31.2xd	.....	2.10

Prices Dec. 15. Next sub day Dec. 22.

Arkwright Management
Parsonage Gdns., Manchester 061-834 2332

Arkwright Fd Dec 13	134.8	143.5	.....	3.50

Atlanta Unit Managers Ltd
1 Founders Ct., Lothbury, EC2. 01-600 8664

Jap Far East	49.2	53.0	-0.4	1.00

Baillie, Gifford & Co Ltd
3 Glenfinlas St., Edinburgh. 031-225 2581

Japan Ex Dec 14	158.4	166.8	.....	1.50
Intl Ex* Dec 7	235.5	250.5	.....	+1.44
BGPPN† Dec 15	214.2	225.5	.....	1.51

†Next dealing day. *Unauthorised.

Barclays Unicorn Ltd.(a)(c)(g)
Unicorn Ho. 252, Romford Rd., E7. 01-534 5544

Unicorn America	62.5	[illegible]	[illegible]	1.16
Do. Aust Acc.	156.8	[illegible]	[illegible]	1.01
Do. Aust Inc.	115.8	[illegible]	[illegible]	1.01
Do. Capital	130.6	[illegible]	[illegible]	4.62
Do Exempt Tst.	222.1	[illegible]	[illegible]	5.08
Do. Extra Income	42.2	[illegible]	[illegible]	8.70
Do. Financial	135.4	[illegible]	[illegible]	4.08
Do. 500	102.9	[illegible]	[illegible]	4.35
Do. General	73.2	[illegible]	[illegible]	4.05
Do. Gilt & Fxd. Int. Inc	52.1	[illegible]	[illegible]	10.20
Do. Gtr. Pacific Acc.	78.5	[illegible]	[illegible]	0.28
Do. Gtr. Pacific Inc.	78.0	[illegible]	[illegible]	0.20
Do. Growth Acc.	102.5	[illegible]	[illegible]	4.14
Do. Income Trust	167.7	[illegible]	[illegible]	4.80
Do. Prf. A'ns. Tst.	73.3	[illegible]	[illegible]	4.76
Do. Recovery	107.0	115.6	[illegible]	3.16
Do. Trustee Fund	59.8	[illegible]	[illegible]	4.36
Do Univ Tech Acc.	47.4	[illegible]	[illegible]	—
Do. Univ Tech Inc.	47.4	[illegible]	[illegible]	—
Do. W'idwide Tst	91.3	[illegible]	[illegible]	0.53
B'tst.In.Fd.Acc.	173.0	[illegible]	[illegible]	4.41
Do. Income	121.1	[illegible]	[illegible]	4.41

Baring Brothers & Co. Ltd.
8, Bishopsgate, EC2N 4AE. 01-283 8833

Stratton Trust	384.0	400.4	.....	3.72
Do. Accum.	557.0	580.4	.....	3.72

Next sub day December 20 (by noon)

Bishopsgate Progressive Mgmt. Co.
66 St James's Street, SW1A 1NE. 01-493 8111

B'gate Prog Dec 6	495.2	531.4xd	.....	2.00
Acc Units Dec 6	658.6	706.7	.....	2.00
B'gate Int Dec 13	609.6	647.3	.....	1.30
Accum Dec 13	725.5	770.3	.....	1.30
Beckman Dec 14	139.6	145.6	+0.7	—
Can & For Dec 6	77.6	83.0	.....	2.85
Accum Dec 6	79.0	84.5	.....	2.05

Bridge Fund Managers (a)(c)
Regis Hse., King William St., EC4. 01-623 4951

Amer. Gen.†	54.3	58.4	.....	0.75
Income*	77.4	84.5xd	.....	5.45
Capital Inc.‡	84.7	91.0	.....	2.16
Do. Acc.‡	106.4	114.4	.....	2.16
Exempt‡	188.0	201.0	.....	4.44
Intl. Recovery Inc.‡	36.0	38.8	.....	2.14
Do. Acc.‡	48.0	51.7	.....	2.14

Dealing *Tues. ‡Wed. †Thur. Prices Dec. 13/14/15.

Britannia Gp of Unit Trusts Ltd (a) (c) (g)
Salisbury Hse, 31 Finsbury Circus, London, EC2. 01-588 2777. Dealing: 01-638 0478/0479. Britannia Viewpoint 01-673 0048

UK Specialist Funds				
Assets	160.3	172.8	-0.2	3.22
Recovery	58.4	63.0	+0.2	4.18
Smaller Cos	91.0	98.1	+0.2	1.61
Spec. Mkt. Sits.	67.6	72.9	-0.8	1.46
UK Blue Chip	52.3	56.4xd	+0.1	3.55
High Income Funds				
Nat. High Inc.	106.2	114.5	+0.2	7.02
Extra Inc.	41.7	45.0	.....	9.36
Inc & Growth	113.6	122.5	+0.4	5.95
Gilt	26.3	27.7xd	.....	9.78
Pref. Shares	18.1	19.5xd	.....	11.00
Sector Specialist Funds				
Commodity Shares	137.5	148.0xd	-1.1	1.53
Financial Secs.	156.7	168.9xd	+0.9	3.00
Gold & General	25.1	27.2xd	-0.3	3.57
Inv. Tst. shares	92.0	99.2	-0.3	1.48
Prop. Shares	30.0	32.3	.....	2.13
Univ. Energy	58.6	63.2	-0.8	1.54
World Tech.	47.8	51.5	-0.1	—
Overseas Funds				
American Growth	68.9	74.3	+0.5	1.40
Am. Smaller Cos.	22.1	23.8	.....	—
Am. Spec. Sits	68.4	73.7xd	-0.1	0.66
Australian Growth	68.4	73.8	-1.3	0.89
Far East	35.9	38.7	-0.3	—
Hong Kg. Performance	17.0	18.3	.....	2.62
Intl. Growth	99.5	107.3	-0.2	1.29
Japan Perf. Tst.	33.1	35.7	-0.5	—
Japan Smlr Cos Tst	10.8	11.6	.....	—
General Funds				
Capital Acc.	111.7	120.4	+0.1	2.30
Comm. & Ind.	86.2	92.9	+0.2	3.82
Domestic	72.8	78.5	.....	3.48
Growth	151.9	163.8xd	-0.2	1.72
Shield	78.6	84.7	-0.3	1.78
Exempt Funds				
Exempt	244.1	258.3	+0.7	5.34
Ex. Mk. Ldrs.	49.8	52.7xd	.....	3.54

Brown Shipley & Co. Ltd. (a)(g)
Harlands Hse, Haywards H'th, Sx. 0444-458144.

B.S. Fund	40.4	43.5	+0.1	4.43
B.S. Accum	62.9	67.9	+0.3	—
Financial	73.6	79.2	+0.2	3.73
Growth Accum	122.5	133.1	+0.6	—
Growth Income	82.0	89.1	+0.4	2.74
High Income	34.6	37.2	+0.1	7.34
Income	40.2	43.2	+0.2	6.14
North American	46.3	49.7xd	+0.4	1.23
Orient	41.4	44.5xd	-0.7	0.38
Recovery	20.3	22.5xd	+0.1	3.82
Technology	147.4	158.5	-0.8	0.39
Exempt	126.3	135.8xd	+0.3	4.96

Buckmaster Management Co. Ltd. (a) (c)
The Stock Exchange, EC2P 2JT. 01-588 2868

Buck'ham Dec 15	126.5	134.1xd	.....	3.37
Accum Uts Dec 15	189.4	200.8	.....	3.37
Cnv Fd Dec 14	64.6	67.9	.....	7.34
Accum Units Dec 14	100.5	105.7	.....	7.34
Marlboro Fd Dec 13	104.7	111.3	.....	2.06
(Accum. Uts.) Dec. 13	133.1	141.6	.....	2.06
Smaller Co's Dec 16	901.7	963.7	.....	1.37
(Accum Uts) Dec 16	931.8	995.8	.....	1.37

Canada Life Unit Trust Mngrs. Ltd.
2-6 High St., Potters Bar, Herts. P. Bar 51122

Can. Gen Dist.	72.9	76.8	.....	3.69
Do. Gen. Accum	107.3	113.0	.....	3.69
Do. Income Dist.	50.1	52.8	+0.2	6.43
Do. Inc. Accum.	91.6	96.5	+0.3	6.43
Gilt & Fxd. Int. Trust	32.8	34.5	+0.1	—

Cannon Fund Managers Ltd. (z)
1, Olympic Way, Wembley, HA9 0NB. 01-902 8876

Growth	159.1	171.1	+0.7	3.91
Income	182.1	195.8	-0.4	5.33
Far East	101.7	109.4	-0.9	0.84
North American	98.9	106.3	+0.4	2.28

Capel (James) Mngt. Ltd.
100, Old Broad St., EC2N 1BQ. 01-588 6010

Capital	185.2	197.1	.....	1.41
Income	131.6	140.1	.....	6.71
North American	214.6	228.3	.....	0.94

Prices on Dec 14. Next dealing Dec 21.

Cater Allen Unit Tst. Managers
1, King William St, EC4N 7AU. 01-623 6314

Cater Allen Gilt Tst	103.4	110.1	+0.4	11.03

Cent. Bd. of Fin. of Church of England‡‡
77 London Wall, EC2N 1DB. 01-588 1815

Inv Fund Nov 30		269.60	.....	4.90
Fxd Int Secs Nov 30		132.35	.....	10.80
Dep Fnd Nov 30		100.0	.....	9.3

Charinco Charities N/R Fund‡‡
15, Moorgate, London, EC2. 01-638 4121

Income Nov 30	153.06	—	.....	10.71
Do. Accum.	340.51	—	.....	10.71

Charities Official Invest. Fund‡‡
77 London Wall, EC2N 1DB. 01-588 1815

Income Nov 30		295.67	.....	5.46
Accum Nov 30		634.89	.....	—

Charterhouse Japhet PLC
1 Paternoster Row, EC4 01-248 3999

Premium Accounts				
Sterling	8.75	—	.....	—
U.S. Dollars	9.75	—	+0.06	—
German Marks	5.50	—	.....	—
Swiss Francs	2.25	—	+0.25	—

Chieftain Trust Managers Ltd (a) (g)
11, New St., EC2M 4TP. 01-283 2632

American	45.7	49.5	+0.1	0.72
Australian	23.4	25.3	+0.1	1.30
Far Eastern Tst.	56.5	61.2	-0.6	0.60
High Income	37.9	41.0	+0.1	9.54
Intl. Trust	55.1	59.7	-0.4	0.49
Basic Resources Tst.	44.4	48.1	-0.4	1.48
Incm. Growth Tst.	30.7	33.2	.....	6.67
Pref. & Gilt Tst.	19.8	21.4	+0.1	11.76
Smaller Co's Trust	31.5	34.1xd	+0.1	2.26
Global Recovery Trust	30.9	33.5	-0.3	3.17
Special Inc. Sits	25.8	27.1	+0.2	5.30

Confederation Funds Mgt. Ltd. (a)
50, Chancery Lane, WC2A 1HE. 01-242 0282

Growth Fund	118.1	124.3	.....	3.70

County Bank U.T.
161, Cheapside, EC2V 6EU. 01-726 1999

Capital (Accum.)	188.8	200.0	+0.5	1.98
Energy Tst.	51.6	55.4	-0.1	1.25
Extra Inc.	100.1	107.6	+0.5	6.28
Financial	77.4	83.2	-0.1	3.48
Growth Inc.	177.9	184.8	+0.1	3.05
Income	74.6	80.2	+0.2	4.35
Japanese & Pac. Gth	69.5	74.7	-0.2	0.50
North Am.-Gwth. Tst.	48.3	51.9	+0.1	0.60
Portfolio Inv. Fd	211.5	221.1	+0.3	4.07
Recovery Trust	80.8	86.8	+0.1	2.04
Smaller Companies	113.5	121.8	-0.1	2.53

Craigmount Unit Tst. Mgrs. Ltd.
Electra Hse, Temple Pl, Vic Emb, WC2. 836 7766

High Income	38.8	41.7	+0.1	6.96
North American	86.1	92.5	-0.4	1.12
Canadian Trust	72.1	77.6	-0.3	0.98
Mid Mount High Inc.*	52.7	54.9	.....	7.68
Recovery	85.5	91.9	+0.4	1.99
Gilt Trust	39.3	40.7xd	+0.1	9.62

*Weekly dealing day Wednesday.

Crescent Unit Tst. Mgrs. Ltd. (a)(g)
4, Melville Cres., Edinburgh 3. 031-226 3492

Cres. American	64.4	69.5	+0.5	1.22
Cres. Capital	44.2	47.7	+0.2	1.83
Cres. Growth & Inc.	77.8	84.0	-0.1	4.91
Cres. High. Dist.	62.0	66.9	.....	7.42
Cres. International	125.5	135.5	-0.6	1.01
Cres. Resources	25.4	27.4	-0.3	2.19
Cres. Tokyo	87.2	94.1	+0.1	0.26

Crown Unit Trust Services Ltd.
Crown Life Hse, Woking GU21 1XW. 04862 24933

Crown High Inc. Trust	130.5	140.9	.....	6.32
Crown Growth Trust	125.1	135.2	+0.6	3.10
Crown Amer Trust	90.9	98.3	+0.7	1.50

Dartington Unit Trust Mngt. Ltd.
Dartington, Totnes, Devon TQ9 6JE. 0803 862271

Total Perf. Unit Tst	34.2	38.8	.....	2.68

Discretionary Unit Fund Managers
36/38 New Broad St, EC2M 1NU. 01-638 4485

Dic Inc Dec 9	344.0	346.8xd	.....	4.03

Duncan Lawrie Fnd. Mgrs. (g)
1, Hobart Place, London SW1W 0HU. 01-245 9321

Growth	19.8	21.3	.....	2.9
Income	35.7	38.4	-0.2	8.8
Overseas	73.9	79.4	-0.6	2.6

Edinburgh Fund Managers plc
4 Melville Cres., Edinburgh. 031-226 4931

Edinburgh Exempt Funds*				
American Dec 14	115.4	120.3	.....	2.00
Japan Dec 15	569.9	594.2xd	.....	0.32
Pacific Dec 16	176.5	183.1	.....	1.13

*Unauthorised

Equity & Law Un. Tr. M. (a) (b) (c)
Amersham Rd., High Wycombe. 0494 33377

UK Gwth. Tst. Acc	86.3	92.7	+0.1	3.61
UK Gwth. Tst. Inc.	80.5	86.5	+0.1	3.61
Higher Inc. Tst. Acc.	106.3	114.2	+0.3	6.63
Higher Inc. Tst. Inc.	95.3	102.4	+0.3	6.63
Gilts/Fxd. Int. Tst. Acc.	77.0	81.0	+0.3	3.69
Gilts/Fxd. Int. Tst. Inc.	71.2	74.9	-0.2	3.69
Nth. America Tst. Acc.	110.1	118.3	-0.3	0.28
Far East Tst. Acc.	77.0	82.1	-1.3	0.53
Euro. Tst. Acc.	62.9	67.6	+0.1	1.44
Gen. Tst.	145.1	156.0	-0.1	2.17

F & C Unit Management
1 Laurence Pountney Hill, EC4R 0BA. 01-623 4680

F & C Amer.	50.0	54.1	-0.1	0.47
F & C Cap. Fd	73.6	79.6	+0.1	1.36
F & C Income Fd.	46.8	50.6	+0.1	6.45
Far Eastern Unit Fd	40.4	43.7	-0.7	0.70

FFI & Target Fund Managers Ltd.,
Target House, Gatehouse Road, Aylesbury, Bucks. Aylesbury (0296) 5941

Small Co's. Fd.	70.6	75.9	+0.3	0.26

Fidelity International Management Ltd.
River Walk, Tonbridge, Kent TN9 1DY 0732 362222

American (z)	77.9	84.3	+0.1	0.45
Amer. Spec. Sits. (z)	50.8	55.0	+0.1	—
Gilt & Fixed Int.	29.1	30.1xd	.....	10.76
Growth & Income	45.1	48.5xd	-0.3	5.49
Japan Trust (z)	51.3	55.2	-0.7	—
Managed Int. Tst. (z)	68.4	73.8	-0.3	0.58
Max. Inc. Eq. Tst.	40.7	43.8xd	+0.1	7.78
Special Sits.	49.4	53.7	-0.1	0.49

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	62.0	66.6	.....	0.49
Accum. Units	78.7	84.6	.....	0.49
J. Finlay High Income	42.7	45.9	.....	8.25
Finlay Wld. Energy	15.0	16.1	.....	2.76
Accum. Units	20.2	21.7	.....	2.76
J. Finlay Fd. In.Tst.	68.1	73.2	.....	2.51
Accum. Units	96.3	103.7	.....	3.51

Prices on Dec 7. Next dealing Dec 14.

Robert Fleming & Co. Ltd.
8, Crosby Square, EC3 8AN 01-638 5858

Am. Ex. Fd.*	£272.62	278.45	.....	0.84
Jap. Ex. Fd.*	£179.41	185.09	.....	1.03

Next subscription day Jan. 3 1984.
*Fleming American Property Unit Trust. Latest issue price (15/12) US$10,621. Units are issued on Feb. 15, May, Aug, Nov.
*Fleming Property Unit Trust. Latest issue price (25/12) £2,069. Units are issued on March 25, June 24, Sept. 29 & Dec. 25.
*Unauthorised.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

Amer. & Gen.	175.4	187.4	-0.2	—
(Accum. Units)	177.4	189.6	.....	—
Am. T'around	173.4	185.4	+0.8	0.64
(Accum. Units)	177.4	189.6	+0.6	0.64
Capital Tst.	99.2	106.0	+0.2	3.62
(Accum. Units)	113.2	121.0	+0.4	3.62
Convertible & Gilt	62.8	66.0xd	+0.4	7.34
(Accum. Units)	73.6	78.8	+0.6	7.34
Extra Income Trust	76.0	81.4	+0.2	6.46
Income Tst	61.6	65.8xd	.....	5.96
Int. Growth Fd.	136.2	145.6	-0.2	—
(Accum. Units)	149.2	159.4	-0.2	—
Recovery Tst	75.4	80.6	.....	2.14
(Accum Units)	77.8	83.0	.....	2.14

Robert Fraser Trust Mgt. Ltd.
28b Albemarle St., W.1. 01-493 3211

Robt. Fraser Ut. Tst.	65.8	70.8	.....	1.70

Friends Prov. Trust Managers (a)(b)(c)
Pixham End, Dorking. Tel. 0306 885055

F.P. Equity Units	125.3	131.8xd	+0.4	2.33
Do. Accum.	194.4	207.9	+0.6	2.33
F.P. Fixed Interest	99.9	106.8xd	+0.3	—
Do. Accum	100.7	107.6	+0.4	—

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital Dec 1	220.2	227.0	.....	3.71
Gross Dec 1	105.5	107.0	.....	10.28
High Yield Dec 1	128.7	133.5	.....	8.79

*Unauth. Restricted to insiders under Court control.

G.T. Unit Managers Ltd.
16, Finsbury Circus, EC2M 7DJ. 01-628 8131

Capital (Inc)	256.6	274.6	.....	1.7
Capital (Acc)	348.0	374.1	.....	1.7
Income	52.3	56.2	.....	7.50
European	102.1	109.7	.....	1.30
U.S. & General	48.2	51.8	.....	0.30
Tech & Growth	74.5	80.1	.....	0.30
Japan & General	110.6	118.9	.....	0.20
Far East & Gen	70.4	75.6xd	.....	0.50
International	77.0	82.7	.....	0.50
Pension Exempt	542.1	578.6	.....	3.20

G. & A. Trust (a) (g)
5 Rayleigh Road, Brentwood (0277) 227300

G. & A.	66.4	70.9xd	+0.2	4.20

Gartmore Fund Managers (a) (c) (g)
2 St. Mary Axe, EC3A 8BP 01-623 1212 Dealing only: 01-623 5766/5806

American Trust	72.0	[illegible]	[illegible]	0.46
Australian Trust	19.0	[illegible]	-0.6	0.33
British Tst. (Accum)	160.7	172.4	+0.7	2.19
Commodity Share	61.2	65.9	-0.9	1.51
Extra Income	26.7	[illegible]	+0.3	7.40
Far East Trust	58.1	[illegible]	[illegible]	0.40
Fixed Int Fd.	24.2	[illegible]	[illegible]	10.94
Gilt Trust	26.8	[illegible]	+0.1	10.36
Global Strat.	84.6	[illegible]	[illegible]	0.90
Global Strat. (Dist.)	83.9	[illegible]	[illegible]	0.90
Gold Share Trust (z)	18.6	[illegible]	-1.0	2.00
High Income Tst	75.7	[illegible]	+0.4	7.38
Hong Kong Trust	18.1	[illegible]	[illegible]	2.58
Income Fund	53.3	[illegible]	[illegible]	5.67
Ins. Agencies	225.64	[illegible]	[illegible]	2.99
Inc. & Gth. Exempt	176.7	[illegible]	[illegible]	4.27
Japan Trust	60.7	[illegible]	[illegible]	0.24
Oil & Energy Trust	40.6	[illegible]	[illegible]	1.86
Special Sits. Tst.	52.8	[illegible]	[illegible]	1.46
UK Sm. Co. Rec. Trust	36.7	[illegible]	[illegible]	1.70

Govett (John) Unit Mngt. Ltd.
Winchester Hse, 77, London Wall, EC2 588 5620

Govett American	47.3	51.1	+0.3	0.29
Govett Gold & Min	47.7	51.5	-0.4	2.18
Govett Japan	55.6	60.1	-0.4	0.25
Stockholders*	261.9	277.5	.....	1.54
(Accum Units)*	347.3	368.6	.....	1.56
Govett European Gwth	82.8	89.5	-0.1	1.25

*Prices on Dec 16. Next dealing Jan 6

Grieveson Mgmt—Barrington Funds
59 Gresham Street, EC2P 2DS 01-606 4433

General Dec 14	551.5	587.8	.....	3.32
(Accum. Units)	708.1	753.4	.....	3.32
High Yield Dec 15	235.8	250.9xd	.....	8.26
(Accum. Units)	411.7	438.0	.....	8.26
Gilt Dec 13	112.3	115.8xd	.....	10.07
(Accum. Units)	145.9	149.5	.....	10.07
Smaller Co Dec 16	208.5	221.9xd	.....	2.58
(Accum Units)	235.7	252.8	.....	2.58
Pacific Dec 13	705.5	737.5	.....	0.64
(Accum. Units)	784.1	819.6	.....	0.64
North Am Dec 16	218.3	232.0xd	.....	0.50
(Accum. Units)	245.9	260.1	.....	0.50
European Dec 14	183.6	191.7	.....	1.67
(Accum. Units)	219.5	229.8	.....	1.67

Guardian Royal Ex Unit Mgrs Ltd(a)
Royal Exchange, EC3V 3LS 01-638 2020

Gilt & Fixed	115.3	119.8	-0.1	9.50
Growth Eq.	103.7	111.6xd	-0.6	2.63
Guardhill	186.5	193.2	-0.2	3.20
Nth American	96.5	103.8	+0.3	1.74
Pacific	112.4	120.9	-1.7	0.28
Prop Shares	109.6	117.9	+0.2	1.97
Small Co's	114.2	122.8	.....	1.96

HBL Unit Trust Mngrs Ltd(a)(c)(g)
Premier UT Admin, 5 Rayleigh Rd, Hutton, Brentwood, Essex. 0277 227300

Smlr Co's Tst	53.6	57.0	+0.2	1.20
Nth American	48.8	51.9xd	.....	1.46
Japan Far Tst	57.1	60.7	-0.5	1.31
Scandinavian Tst	50.9	54.2	+0.1	1.72

Henderson Administration (a) (b) (c)
Premier UT Admin, 5 Rayleigh Rd, Hutton, Brentwood, Essex. 0277 217238

UK Funds				
Special Sits.	76.7	82.5	+0.1	1.64
(Accum Units)	104.2	112.0	+0.1	1.54
Recovery	57.4	62.1	+0.1	3.22
Cap Growth	142.7	153.8	+0.5	1.68
(Accum Units)	158.8	170.7	+0.6	2.68
Inc & Assets	54.7	58.8	+0.4	5.38
High Income Funds				
Inc & Growth	75.1	79.9xd	.....	4.52
(Accum Units)	134.3	142.9xd	+0.1	4.52
High Income	97.6	104.9	+0.4	6.01
Extra Income	89.5	95.2xd	+0.2	6.72
Smaller Co's Div	60.4	64.2	+0.1	4.79
Pref & Gilt	46.1	49.0xd	+0.1	11.50
Gilt Trust	46.9	49.4	+0.1	4.76
Fixed Interest	51.2	54.5xd	.....	10.77
Sector Funds				
Financial	76.8	81.7xd	-0.2	3.02
Oil & Nat. Res.	77.9	84.2	-0.3	1.84
International				
Global Health	46.3	48.7	+0.1	0.37
Global Tech.	91.5	98.8	-1.0	0.01
International	100.2	107.7	.....	0.93
World Wide Dec 16	220.1	234.2	.....	3.15
Overseas Funds				
Australian	77.1	83.3	-1.8	0.61
European	103.6	111.6	+0.3	1.67
Japan Trust	69.7	75.4	-1.7	0.01
Japan Special Sits	73.2	79.1	-1.7	0.01
Pacific Sm. Cos.	133.3	144.1	-1.7	0.01
North Amer	112.3	120.7	+0.5	0.54
American Smaller	48.5	52.1	-0.3	0.07
Amer. Recvy. Tst.	101.4	109.0xd	+0.3	1.19
Exempt Funds				
High Income (b)	198.7	207.0xd	+0.3	6.56
Smlr. Cos. (b)	270.8	282.1xd	-0.3	2.25
Europeans Dec 16	200.4	208.7	.....	1.67
Japan Dec 16	263.1	274.3	.....	0.14
American Dec 16	333.7	347.4xd	.....	1.06
Global Tech Dec 16	195.8	204.0xd	.....	0.20
Pacific Ex Tst Dec 16	130.3	135.7xd	.....	1.05

Hexagon Services Ltd.
4 Gt. St. Helens, London EC3P 3EP 0708 45322

Aust First	114.2	120.8	.....	2.31
Brewin Cap	87.4	92.1	.....	1.57
Brewin Inc	79.3	83.6	.....	3.16
Canada Gnr	115.0	123.7	.....	0.92

Hill Samuel Unit Tst. Mgrs.† (a)
45 Beech St., EC2P 2LX 01-628 8011

(b) British Trust	300.7	[illegible]	[illegible]	3.61
(b) Capital Trust	58.0	[illegible]	[illegible]	3.17
(b) Dollar Trust	162.2	[illegible]	[illegible]	1.28
(b) European Trust	48.2	[illegible]	[illegible]	0.64
(b) Far East	69.6	[illegible]	[illegible]	0.90
(b) Financial Trust	202.0	[illegible]	[illegible]	3.90
(b) Gilt & Fxd. Int. Tst.	27.4	[illegible]	[illegible]	10.26
(b) Gilt J. Growth	35.9	[illegible]	[illegible]	9.39
(b) High Yield Tst	36.9	[illegible]	[illegible]	7.48
(b) Income Trust	42.1	[illegible]	[illegible]	5.48
(a) Int'l Trust	77.0	[illegible]	[illegible]	1.37
(a) Japan Tech Tst	23.6	[illegible]	[illegible]	0.90
(b) Nat. Resources Tst.	37.2	[illegible]	[illegible]	2.42
(b) Security Trust	94.3	[illegible]	[illegible]	3.70
(b) Smaller Cos Tst	38.0	[illegible]	[illegible]	1.90
(b) Spec. Sits Tst	63.5	[illegible]	[illegible]	1.37
Gen Exempt Dec 15	245.0	[illegible]	[illegible]	3.86

HK Unit Trust Managers Ltd. (a)
Wardley Hse, 7 Devonshire Sq, EC2M 4HN 01-626 4411

American Tst	55.3	59.5	.....	2.2
Extra Income Tst	27.0	29.0	+0.2	8.9
Far East & Gen Tst	57.6	62.0	-0.5	1.5
Comm. & Gen.	55.1	59.3	-0.4	3.5
Income Tst	39.8	42.7xd	+0.6	6.9
Japan Tst	51.0	54.9	-0.4	0.2
Market Leaders	64.2	69.0xd	+0.4	3.3
Private Tst	73.5	79.0	+1.7	2.5
Smaller Co's Tst	85.0	91.5	-0.2	1.7
Technology Tst	119.5	128.6	-0.9	0.3
Australia Tst	36.2	38.4	-1.0	1.4

Investment Bank of Ireland (a)
Premier UT Admin, 5 Rayleigh Road, Hutton, Brentwood, Essex (0277) 211459

Bkd Ded Brit & O'ss	78.8	84.7xd	.....	2.17

Prices Dec 14. Next sub. day Dec 21.

Key Fund Managers Ltd. (a)(g)
72-80 Gatehouse Road, Aylesbury (0296) 5941

Key Equity&Gen	107.8	115.9	+0.1	4.80
Key Income Fund	114.8	123.4xd	.....	5.72
Key Fixed Int. Fd.	56.8	61.1	.....	11.41

Kleinwort Benson Unit Managers
20, Fenchurch St., EC3 01-623 8000

KB UK Eqty Gth Inc	143.1	151.3	-0.5	3.40
KB UK Eqty Gth Acc	254.3	282.4	-0.8	3.40
K.B. Fd. Inv. Tsts.	121.4	135.1	+0.1	2.08
K.B. Fd. In. Tst. Acc.	145.4	161.8	+0.3	2.08
KBSmlrCo'sFdInc	94.8	106.8	+0.3	3.67
KB Sm.Cos.Fd.Acc.	117.2	132.1	-0.6	3.67
KB High Yld. Fd. Inc.	68.3	76.1xd	-0.5	7.37
KB High Yld Acc.	99.5	110.7	-0.8	7.37
KB Int Rec Inc.	48.7	52.6	-0.7	2.70
KB Int Rec Acc.	48.7	52.6	-0.7	2.70
KB W'wde Tech Inc.	49.3	53.2	+0.8	0.45
KB W'wide Tech Acc.	49.3	53.2	+0.8	0.45

L & C Unit Trust Management Ltd.
Piercy Hse, Copthall Av, EC2R 7BE 01-588 2800

L&C Inc. Fund	235.3	242.6	.....	4.58
L&C Intl & Gen Fd	205.3	211.7	.....	1.00

Lawson Fund Managers Ltd. (a) (c) (g)
43, Charlotte Sq, Edinburgh EH2. 031-225 6001

Charlotte Square	58.1	60.3	.....	4.3
Penny Share	14.6	15.1	.....	1.0
Australia & Pacific	8.7	9.1	.....	0.8
High Yield Income	20.2	21.4	.....	11.5
High Yield Accum	22.1	23.3	.....	11.5

Legal & General (Unit Tst., Mngrs.) Ltd.
5 Rayleigh Rd., Brentwood 0277 217238

Equity Dis	163.1	176.3	+0.1	2.23
Equity Acc.	240.1	259.6	+0.1	2.23
Gilt	53.6	61.1	+0.3	4.77
Int Managed	53.2	57.5xd	+0.2	1.11

Leonine Administration Ltd.
20 Copthall Ave. EC2R 7JS. 01-600 7595

Leo Distribution	252.7	268.1	.....	0.01
Leo Accum.	301.1	319.3	.....	0.01

Lloyds Bk. Unit Tst. Mngrs. Ltd. (a)
Registrar's Dept., Goring-by-Sea, Worthing, W Sx. 0903 502541. Dealing 0444 459144

Balanced	110.2	118.4	[illegible]	3.69
Do. (Accum.)	183.9	197.5	[illegible]	3.49
Energy Int.	49.7	53.4	[illegible]	2.07
Do. (Accum.)	52.4	56.3	[illegible]	2.07
Extra Income	87.3	93.8xd	[illegible]	6.64
Do. (Accum.)	140.0	150.5	[illegible]	6.64
Income	141.5	152.1	+0.1	5.11
Do. (Accum.)	254.7	273.8	[illegible]	5.11
Int. Technology	150.8	162.1xd	-0.1	0.18
Do. (Accum.)	155.4	167.0	[illegible]	0.18
N. American & Gen.	82.5	88.7	+0.4	0.75
Do. (Accum.)	86.1	92.5	[illegible]	0.75
Pacific Basin	77.5	83.3	[illegible]	0.40
Do. (Accum.)	79.6	85.0	[illegible]	0.40
Small Cos. & Recy	102.5	110.2	+0.1	1.47
Do. (Accum.)	111.0	119.3	[illegible]	1.47
Worldwide Gwth.	139.1	149.5xd	[illegible]	0.90
Do. (Accum.)	192.2	206.5	[illegible]	0.90

Lloyd's Life Unit Tst. Mngrs. Ltd.
2, St Mary Axe, EC3A 8BP. 01-920 0311

Equity Accum.	77.7	83.6xd	-0.1	2.86
Equity Dist.	57.7	62.1xd	-0.1	2.86
Gilt Trust	.....	50.0	.....	5.00
High Income Acc.	51.8	55.8xd	+0.1	7.67
High Income Dist.	50.4	54.2xd	.....	7.67
U.S. Growth Acc.	44.8	47.7	+0.2	1.54
US Growth Dist.	44.6	47.5	+0.2	1.54

Local Authorities' Mutual Invest. Tst.*
77, London Wall, EC2N 1DB. 01-588 1815

Property Fd Nov 30		163.70	.....	6.72
Wider Fd Nov 30		417.25	.....	4.04
Narrower Fd Nov 30		92.40	.....	10.47

*Unauthorised. Available only to Local Authorities.

Londos & Manchester (Tst Mgmt) Ltd
72-80 Gatehouse Rd, Aylesbury. 0296 5941

General Tst	24.4	26.4	.....	4.32

M & G Group (y)(c)(z)
Three Quays, Tower Hill, EC3R 6BQ. 01-626 4588

American	137.0	[illegible]	[illegible]	1.29
(Accum Units)	153.0	[illegible]	[illegible]	1.29
American Recovery	182.7	[illegible]	[illegible]	0.77
(Accum Units)	193.3	[illegible]	[illegible]	0.77
American Smllr Co's	62.6	[illegible]	[illegible]	0.02
Australasian	67.3	[illegible]	[illegible]	0.20
(Accum Units)	79.3	[illegible]	[illegible]	0.20
Commodity	156.0	[illegible]	[illegible]	1.85
(Accum Units)	194.4	221.4	+0.4	1.85
Compound Growth	242.4	[illegible]	[illegible]	2.93
Conversion Growth	204.7	[illegible]	[illegible]	3.48
Conversion Income	110.1	[illegible]	[illegible]	7.97
Dividend	201.4	[illegible]	[illegible]	6.55
(Accum Units)	536.3	[illegible]	[illegible]	6.53
European	80.3	[illegible]	[illegible]	1.06
(Accum Units)	94.3	100.7	[illegible]	1.06
Extra Yield	118.2	127.1	+0.1	7.25
(Accum Units)	226.4	244.8	+0.2	7.25
Far Eastern	127.5	139.0	-0.2	0.08
(Accum Units)	150.7	164.3	-0.2	0.08
Fund of Inv. Tsts.	144.1	154.2xd	+0.1	3.07
(Accum. Units)	213.4	228.3	+0.1	3.07
General	530.6	565.9	+0.1	4.36
(Accum. Units)	653.0	702.0	-0.4	4.98
Gilt Income	57.8	59.8xd	-0.2	9.90
(Accum. Units)	72.2	75.8	-0.2	9.90
Gold	48.4	51.8	-0.7	1.91
High Income	161.6	173.1xd	+0.2	6.84
(Accum. Units)	390.2	417.5	+0.6	6.84
Japan	342.0	365.9xd	-3.6	0.31
(Accum. Units)	364.5	390.0	-3.7	0.31
Magnum	534.5	571.9	-1.1	2.94
(Accum Units)	800.8	857.9	-1.9	2.94
Midland	248.0	265.4	+0.5	3.75
(Accum. Units)	566.5	606.2	+1.1	3.75
Recovery	161.8	176.1	+1.6	3.43
(Accum. Units)	197.4	212.2	+1.9	3.43
Second General	397.7	427.0xd	+1.1	3.78
(Accum. Units)	722.4	787.4	+2.0	3.78
Smaller Companies	405.6	433.9	+0.6	3.43
(Accum. Units)	595.7	637.4	+0.9	3.43
Trustee	256.2	274.8	+2.4	4.53
(Accum. Units)	677.2	724.3	+6.2	4.53
Charibond Dec 13	108.1xd	.....	.....	11.41
Charifund Dec 13	218.7	228.8xd	.....	7.30
Pension Ex. Dec. 19	255.5	269.5	.....	4.06

MGM Unit Managers Ltd.
MGM Hse., Heene Rd., Worthing. 01-623 8211

High Inc.	132.1	142.0	+0.6	6.42
(Accum Uts)	138.3	148.7	+0.6	6.46
UE Growth	125.7	135.2	-0.4	3.02
(Accum Uts)	127.3	136.9	-0.4	3.02

MLA Unit Trust Mgt. Ltd.
Old Queen St, SW1A 9JC 01-222 8576

MLA Units	192.4	202.2	.....	2.65
MLA Int	30.7	32.4	.....	0.7

Manulife Management Ltd.
St. George's Way, Stevenage 0438 356101

Cash&Fxd Int.	80.4	86.1	.....	3.26
Growth Units	124.8	134.1	.....	1.93
High Inc. Unit	54.5	58.7	.....	3.65
Intl. Growth Unit Trust	70.4	75.6	.....	1.43

Mayflower Management Co. Ltd.
14-18, Gresham St., EC2V 7AU. 01-606 8099

Income Dec 19	141.6	152.3	+2.2	6.27
General Dec 19	112.4	120.9	+2.0	4.68
Intnl Dec 19	80.4	89.7	+0.9	1.49

McAnally Fund Management Ltd.
Regis Hse., King William St., EC4. 01-623 4951

Delphi Inc. Tst. Acc.	58.1	59.7	.....	7.32
Delphi Inc. Tst. Inc.	34.3	36.1xd	.....	7.32
Glen Fund Acc.	162.7	172.6	.....	3.35
Glen Fund Inc.	103.5	110.2xd	.....	3.35

Mercap Unit Trust Mngrs Ltd (a)(c)(g)
Unicorn Hse, 252 Romford Rd, E7. 01-534 5544

Mercap	74.7	80.3	+0.1	4.46

Mercury Fund Managers Ltd.
30 Gresham St, EC2P 2EB. 01-600 4555 Ext 529

American Growth	66.9	71.6	+0.1	1.03
(Accum. Units)	67.5	72.5	.....	1.03
European Fund	47.0	50.4	.....	1.40
General	123.6	132.8	+0.2	2.92
(Accum. Units)	190.0	204.2	+0.4	2.92
Gilt	77.4	79.4	+0.2	9.67
Inc & Recovery	66.7	71.6	+0.2	6.46
International	142.7	153.3xd	+0.2	1.41
(Accum. Units)	171.8	184.6	+0.2	1.41
Japan Fund	44.0	48.0	-1.0	—
(Accum Uts)	44.0	48.0	-1.0	—
Exempt Dec 7	121.9	128.0	.....	2.88
(Accum Uts) Dec 7	177.5	184.8	.....	2.88

Midland Bank Group U.T. Mngrs. Ltd.
Courtwood House, Silver Street, Head. Sheffield, S1 3RD. Tel 0742 79842

Capital	[illegible]	52.9	[illegible]	2.84
(Accum Units)	[illegible]	67.6	[illegible]	2.84
Commodity & Gen.	[illegible]	129.9	[illegible]	2.70
(Accum Units)	[illegible]	174.3	[illegible]	1.78
Equity Exempt	[illegible]	225.9	[illegible]	3.64
(Accum Units)	[illegible]	265.9	[illegible]	3.64
Gilt & Fxd. Int.	[illegible]	54.0	[illegible]	9.80
(Accum Units)	[illegible]	72.5	[illegible]	9.80
High Yield	[illegible]	94.5	+0.4	6.26
(Accum Units)	[illegible]	142.5	[illegible]	6.26
Income	[illegible]	102.0	[illegible]	4.99
(Accum Units)	[illegible]	152.1	[illegible]	4.99
Japan and Pacific	[illegible]	128.0	[illegible]	0.20
(Accum Units)	[illegible]	133.0	[illegible]	0.24
North American	96.0	[illegible]	-0.1	1.18
(Accum Units)	96.0	[illegible]	-0.1	1.18
Overseas Growth	73.9	[illegible]	-0.4	0.88
(Accum Units)	87.1	[illegible]	-0.4	0.80
Smaller Cos.	68.6	72.8	+0.1	2.24
(Accum Units)	67.5	[illegible]	+0.2	2.24

Minster Fund Managers Ltd.
Minster Hse., Arthur St., EC4R 9BH 01-623 1050

Minster	72.2	75.2	.....	5.16
Exempt Nov. 30	158.8	164.8	.....	3.65

Murray Johnstone U.T. Mgmt. (a)
163, Hope Street, Glasgow, G2 2UH. 041-221 5521

Murray American	80.9	86.6	.....	3.45
Murray European	82.4	88.1	.....	0.81
Murray Smaller Cos.	102.4	111.1xd	.....	2.35

Next dealing Fri.

National Provident Inv. Mngrs. Ltd.
48, Gracechurch St., EC3P 3HH. 01-623 4200

NPI Gth. Un. Tst.	108.4	115.4xd	+0.3	3.40
(Accum. Units)	165.4	176.0	+0.5	3.40
NPI O'seas Trust	337.8	357.5	-0.6	0.80
(Accum. Units)	398.6	421.9	-0.7	0.80

For National Westminster see County Bank

NEL Trust Managers Ltd. (a) (g)
Milton Court, Dorking, Surrey. 0306 887766

Nelstar	103.4	108.9	+0.4	3.36
Nelstar Gilt & F.I.	45.6	47.9	+0.1	9.50
Nelstar High Inc.	45.0	47.3	+0.1	7.48
Nelstar International	91.7	96.3	+0.2	2.21

Northgate Unit Trust Managers Ltd. (c)(y)
3 London Wall Bldgs, EC2M 5PU. 01-638 1212

Northgate Dec 15	127.1	135.3	.....	3.52
(Accum. Units)	149.5	159.1	.....	3.52

Norwich Union Insurance Group (b)
P.O. Box 4, Norwich, NR1 3NG. 0603 22200

Group Tst. Fund	778.2	819.2	+2.0	3.93

Oppenheimer Fund Management Ltd.
66 Cannon St., London EC4N 6AE 01-236 3885

Oppenheimer Trusts				
International Growth	71.6	77.4	-0.2	0.72
Income & Growth	26.8	28.8	+0.1	6.21
Special Situations	38.0	40.8xd	.....	0.71
American Growth	29.6	31.5	+0.1	0.94
Japan Growth	27.4	29.4	-0.3	0.05
Practical		01-623 8893		
Income Units	32.3	34.6	+0.1	3.28
Accum Units	53.3	59.4	+0.3	3.28

Pearl Trust Managers Ltd. (a)(g)(z)
252, High Holborn, WC1V 7EB. 01-405 8441

Pearl Growth Fd.	49.8	53.6	.....	2.80
Accum Units	70.8	76.2	.....	2.80
Pearl Inc.	58.8	63.2	.....	5.52
Pearl Unit Tst.	67.2	72.3xd	.....	4.22
(Accum. Units)	108.8	117.0	.....	4.22

Pelican Units Admin. Ltd. (g)(x)
57-63, Princess St., Manchester. 061-236 5685

Pelican Units	206.8	221.4	.....	4.26

Perpetual Unit Trust Mngmt. (a) (z)
48, Hart St., Henley on Thames. 0491 576868

Growth	136.7	147.5	.....	0.97
Income	90.6	97.8	.....	5.93
Worldwide Recovery	78.5	84.7	.....	1.96
American Growth	48.7	52.5	.....	0.70

Prolific Unit Trusts
222, Bishopsgate, EC2. 01-247 6533

Prolific Far East	89.1	95.5	-0.4	0.20
Prolific Gilt Cap	74.8	77.6xd	-0.1	2.54
Prolific High Inc	84.3	90.2xd	+0.3	5.58
Prolific Intl.	72.9	78.1	-0.3	1.20
Prolific N. Amer.	99.6	106.7	+0.1	0.66
Prolific Spec. Sits	73.0	78.2	+0.2	1.25
Prolific Technology	120.2	128.8	-0.8	0.80

Prudl. Portfolio Mngrs. Ltd. (a) (b) (c)
Holborn Bars, EC1N 2NH. 01-405 9222

Prudential	244.5	260.8	+0.5	3.65
Holborn Gilt Tst	134.6	140.2	+0.3	9.35

Quilter Management Co. Ltd.
31-45 Gresham Street EC2 01-600 4177

Quadrant Gen. Fd.	262.6	273.6	.....	2.43
Quadrant Income	148.2	152.8	.....	5.98
Quadrant Intl. Fund	254.0	261.9	+0.7	1.37
Quadrant Recovery	157.8	162.7	.....	2.52
Wickmoor Fund	121.9	128.1	.....	4.34
(Accum Units)	176.7	185.7	.....	4.34
Wickmoor Div Fd.	99.3	103.2	.....	7.11
(Accum Units)	142.2	147.5	.....	7.11

Reliance Unit Mgrs. Ltd.
Reliance Hse., Tunbridge Wells, Kt. 0892 22271

British Life	100.4	106.2	+0.2	4.66
Reliance Unit Tst (Inc)	61.9	66.2	-0.1	5.48
Reliance Ut Tst (Acc)	76.5	81.8	-0.1	5.48

Ridgefield Management Ltd.
20-24, Moorfields St., London, EC2Y 9AA. 01-588 6906

Income UT	89.8	96.6xd	-0.1	7.28
International UT	195.0	209.7xd	-0.8	1.00

Rothschild Asset Management
St. Swithin's Lane, London EC4. 01-280 5000.

NC American Prop.*	$10.03	10.81xd	.....	—
	Next sub period Oct 31/Nov 28.			
NC Prop.*	168.8	178.8	.....	—

Next sub period Dec 31/Jan 13. *Unauthorised.

Rothschild Asset Management (a) (g) (x)
72-80, Gatehouse Rd., Aylesbury. 0296 5941

N.C. Engy Res Tst(z)	171.2	182.0	+0.2	0.99
N.C. Inc Fd(z)	224.7	239.0xd	+0.3	6.48
N.C. America (Inc)(z)	269.9	287.2	+0.8	0.64
N.C. Amer. (Acc)(z)	276.3	294.9	+0.8	0.64
N.C. Smaller Cos(z)	193.7	207.2	+0.4	2.30

Rowan Unit Trust Mngt. (a)
City Gate Hse., Finsbury Sq., EC2. 01-606 1066

American Dec 15	181.0	186.8	.....	1.36
Securities Dec 13	406.0	418.8	.....	3.28
High Yield Dec 16	89.8	92.6xd	.....	6.50
Merlin Dec 14	226.0	233.0	.....	2.78
Fixed Interest	141.0	142.0	+0.5	9.42
High Interest	123.5	124.3xd	+0.5	11.82
Far East Dec 16	105.0	108.0	.....	0.47

Royal Life Fd. Mgmt. Ltd.
New Hall Place, Liverpool L69 3HS 051-227 4422

Equity Trust	34.7	37.3xd	.....	3.32
International Trust	44.1	47.4	-0.2	0.72

Royal London Unit Tst Mgrs Ltd
72-80 Gatehouse Rd, Aylesbury. 0296 5941

Capital Accum Trust	109.8	116.3	+0.5	3.02
American Growth Tst.	[illegible]	[illegible]	[illegible]	[illegible]
Income & Growth Tst.	[illegible]	[illegible]	[illegible]	[illegible]
Special Situation Tst.	48.8	[illegible]	[illegible]	0.54

Royal Tst. Can. Fd. Mgrs. Ltd.
48-50, Cannon St., London EC4N 6LD 01-236 6044

Capital Fund	130.0	139.3	.....	3.5
Income Fund	85.9	91.9	.....	6.8

Prices on Dec. 15. Next dealing day Dec. 30.

Save & Prosper Group
4, Great St. Helens, London EC3P 3EP
68-73 Queen St., Edinburgh EH2 4NX
Dealings to: 0708-66966 or 031-226 7351

International Funds				
Capital	72.9	78.0xd	.....	1.26
I.T.U.	65.0	69.6	+0.1	1.16
Select International	406.6	420.2	+0.1	1.16
Univ. Growth	124.6	134.3	-0.9	1.10
Income Funds				
High-Yield	81.9	88.1	+0.3	6.37
Scotyield	77.0	83.0	+0.1	5.51
Smaller Cos. Inc. Fd.	51.5	55.4	+0.1	5.54
Gilt & Fxd. Int. Inc.	53.7	56.0	+0.2	11.86
High Return	93.7	100.8	+0.3	7.04
Income	58.8	63.3	+0.1	5.61
UK Funds				
Gilt & Fixd. Int. Grth.	48.6	49.3	+0.2	3.17
Scotshares	100.6	108.7xd	+0.1	3.31
UK Equity	97.7	105.6	+0.4	3.17
Overseas Funds & Sector Funds				
Europe (z)	146.9	158.1xd	+1.0	0.96
Japan (z)	217.3	232.6	-4.0	0.00
Japan Smlr. Co's (z)	[illegible]	[illegible]	[illegible]	[illegible]
S.E. Asia (z)	79.0	84.9	-0.5	1.05
U.S. (z)	225.8	243.0	+0.1	0.85
Commodity	163.2	175.4	-0.3	2.08
Energy	147.3	158.5	+0.3	2.08
Exploration Fund (z)	36.9	39.8	.....	0.27
Financial Secs.	132.8	142.1	-0.4	3.32
New Technology (z)	92.9	99.9	.....	—
Scotbits	73.7	79.4	-0.1	2.22
Special Situation Fd.	65.2	69.4	+0.1	2.11
Intl. Bond Fd. (z)	94.3	98.5	+0.1	3.42
Exempt Funds				
Exempt Income*	269.0	279.7xd	.....	6.06
Exempt Intl.*	309.0	321.3	.....	1.35

*Prices at Dec 14. Next sub day Dec 28.

Schroder Unit Trust Managers Ltd.
Enterprise House, Portsmouth. 0705 827733

American	87.4	[illegible]	[illegible]	[illegible]
(Accum Units)	87.9	[illegible]	[illegible]	[illegible]
Australian	68.7	[illegible]	[illegible]	[illegible]
(Accum Units)	71.7	[illegible]	[illegible]	[illegible]
European	[illegible]	[illegible]	[illegible]	[illegible]
(Accum Units)	[illegible]	[illegible]	[illegible]	[illegible]
General	[illegible]	[illegible]	[illegible]	[illegible]
(Accum Units)	[illegible]	[illegible]	[illegible]	[illegible]
Gilt	[illegible]	[illegible]	[illegible]	[illegible]
(Accum Units)	[illegible]	[illegible]	[illegible]	[illegible]
Income	[illegible]	[illegible]	[illegible]	[illegible]
(Accum Units)	[illegible]	[illegible]	[illegible]	[illegible]
International	[illegible]	[illegible]	[illegible]	[illegible]
(Accum Units)	[illegible]	[illegible]	[illegible]	[illegible]
Singapore	[illegible]	[illegible]	[illegible]	[illegible]
(Accum Units)	[illegible]	[illegible]	[illegible]	[illegible]
Smaller Co's	[illegible]	[illegible]	[illegible]	[illegible]
(Accum Units)	[illegible]	[illegible]	[illegible]	[illegible]
Special Sits. Fd.	[illegible]	[illegible]	[illegible]	[illegible]
(Accum Units)	[illegible]	[illegible]	[illegible]	[illegible]
Tokyo	[illegible]	[illegible]	[illegible]	[illegible]
(Accum Units)	[illegible]	[illegible]	[illegible]	[illegible]
**P & C Fd.	[illegible]	[illegible]	[illegible]	[illegible]
**Recovery	[illegible]	[illegible]	[illegible]	[illegible]
**Spec Ex.	[illegible]	[illegible]	[illegible]	[illegible]

*For tax exempt funds only

Scottish Equitable Fund Mgrs. Ltd.
31 St. Andrews Sq. Edinburgh 031-556 9101

Income Units	99.2	105.6	.....	5.36
Accum. Units	138.4	147.3	.....	5.36

Dealing day Wednesday.

Scottish Provident Inv. Mgt. Ltd.
6 St. Andrew Sq, Edinburgh 2 031-556 9181

Equity Acc.	96.3	103.0	.....	4.08
International Acc.	99.4	105.3	-0.8	0.81
Gilt & Fxd. Int. Acc	95.7	101.9	+0.2	7.72
Index-Lkd.Secs.Acc.	94.5	101.1	.....	1.91

Scottish Unit Managers Ltd
29 Charlotte Sq., Edinburgh. 031-226 4372

Pacific Fund	28.5	30.9	-0.3	0.38
World Growth	24.3	26.3xd	.....	2.36
North American	25.5	27.6	+0.2	0.90
Income Fund	24.4	26.4xd	+0.1	5.99

Scottish Widows' Fund Management
P.O. Box 902, Edinburgh EH16 5BU 031-655 6000

Peg Eq Acc Dec 19	148.6	159.7	-0.7	4.07

Standard Life Trust Mngmt. Ltd.
3, George St., Edinburgh, EH2 2XZ. 031 225 2552

Income Units	132.0	143.0	+0.4	3.53
Accum. Units	136.9	148.3	+0.4	3.35

Stewart Unit Tst. Managers Ltd.(a)
45, Charlotte Sq., Edinburgh. 031-226 3271

American Fund	171.1	184.0	+0.8	0.96
(Accum. Units)	187.0	201.2	+1.0	0.96
(Withdrawal Units)	135.2	145.8	+0.6	0.96
Australian Fund	132.9	136.8	-2.0	1.21
**British Capital	265.1	286.3	.....	3.88
(Accum. Units)	312.7	337.6	.....	3.88
**European Fund	131.7	141.6	.....	1.25
Japan Fund	148.2	159.2	-1.3	0.04

Deal. Fri. *Wed. **Mon. & Thur.

Sun Alliance Fund Management Ltd.
Sun Alliance Hse, Horsham. 0403 64141

The Family Fund	231.1	245.8	+2.4	3.38

Swiss Life Pen Tst Man Co Ltd(a)(x)
99-101 London Rd, Sevenoaks. 0732 450162

Equity Dist.*	£148.45	178.24	.....	3.78
Equity Acc.*	£204.52	218.48	.....	3.78
Fixed Int. Dist.†	£116.21	123.42	.....	11.39
Fixed Int. Acc.†	£146.41	151.72	.....	11.39

*Prices on Dec 14. Next dealing Jan 11. †Prices on Dec 7. Next dealing Jan 4.

Target Tst. Mngrs. Ltd. (a) (g)
(Inv. Mngrs. J. Rothschild Inv. Mngt. Ltd.) Target Hse, Gatehse Rd, Aylesbury Bks (0296) 5941

Commodity	58.6	[illegible]	[illegible]	[illegible]
Energy	61.6	[illegible]	[illegible]	[illegible]
Gold Fund Inc.	72.7	[illegible]	[illegible]	[illegible]
Gold Fund Acc.	77.8	[illegible]	[illegible]	[illegible]
Technology Fund	47.6	[illegible]	[illegible]	[illegible]
Financial	147.7	[illegible]	[illegible]	[illegible]
Gilt Capital	94.0	[illegible]	[illegible]	[illegible]
Gilt Income	105.8	[illegible]	[illegible]	[illegible]
Investment Trust	206.2	[illegible]	[illegible]	[illegible]
Special Situations	114.6	[illegible]	[illegible]	[illegible]
American Eagle	64.4	[illegible]	[illegible]	[illegible]
U.S. Special Bnd Fd.	46.9	[illegible]	[illegible]	[illegible]
Japan Fund	57.4	[illegible]	[illegible]	[illegible]
Malaysia & Sngpre	27.4	[illegible]	[illegible]	[illegible]
Pacific Income	45.6	[illegible]	[illegible]	[illegible]
Pacific Re Inv	86.4	[illegible]	[illegible]	[illegible]
Australian Fd	56.8	[illegible]	[illegible]	[illegible]
Worldwide Capital	96.9	[illegible]	[illegible]	[illegible]
Income	97.8	[illegible]	[illegible]	[illegible]
Extra Income	72.1	[illegible]	[illegible]	[illegible]
Preference Shares	17.9	[illegible]	[illegible]	[illegible]
Equity	76.8	[illegible]	[illegible]	[illegible]
Professional	557.6	[illegible]	[illegible]	[illegible]
Equity Ex Dec 13	[illegible]	[illegible]	[illegible]	[illegible]
Equity Ex Acc Dec 13	741.7	[illegible]	[illegible]	[illegible]

Touche, Remnant Unit Trust Mngt. Ltd.
Mermaid Hse, 2 Puddle Dock, EC4. 01-248 1250

TR American Growth	24.2	26.0	-0.2	0.50
TR General Growth	27.5	29.5	.....	3.90
TR Income Growth	30.8	33.1	+0.1	5.65
TR Income Monthly	31.5	34.0	+0.1	8.06
TR Overseas Growth	32.8	35.3	-0.3	1.56
TR Special Ops	27.4	29.5	.....	2.46

Trades Union Unit Trust Managers
100, Wood Street, E.C.2. 01-628 8011

TUUT Dec 1	94.7	100.8	.....	4.00

Transatlantic and Gen. Secs. Co. (a) (y)
91-99, New London Rd, Chelmsford. 0245 51651

[illegible]

Tyndall Managers Ltd.(a)(b)(c)
18, Canynge Road, Bristol. 0272 732241

[illegible]

TSB Unit Trusts (b) (c) (y)
PO Box 3, Keens Hse, Andover, Hants. SP10 1PG. 0264 62188. Dealings to 0264 63432-3

[illegible]

Unit Trust Account & Mgmt. Ltd.
Regis Hse, King William St, EC4R 9AR. 01-623 4951

Friars Hse. Fund	172.1	76.3	+0.5	3.60

Vanguard Trust Managers Ltd.
Bath Hse., London, EC1A 3EB 01-236 5080

Growth Dec 13	[illegible]	[illegible]	.....	2.84
(Accum Units)	[illegible]	[illegible]	.....	2.84
High Yield Dec 13	[illegible]	[illegible]	.....	7.38
Special Dec 7	[illegible]	[illegible]	.....	1.33
Trustee Dec 7	[illegible]	[illegible]	.....	4.38
(Accum Units)	[illegible]	[illegible]	.....	4.38

Whittingdale Unit Trust Managers
2 Honey Lane, EC2V 8BT 01-606 9085/6

Short Dtd Gilt Fd.	50.5	51.8	.....	2.92

INSURANCES

AA Friendly Society
[illegible]
AA Fmily Sv Dec 9 ..... 61.8 ..... —

Abbey Life Assurance Co. Ltd. (z)
1-3 St. Paul's Churchyard, EC4P 4DX. 01-248 9111

[illegible]

Albany Life Assurance Co. Ltd.
3, Darkes Lane, Potters Bar. 0707-42311

[illegible]

Barclays Life Assur. Co. Ltd.
252 Romford Rd., E7. 01-534 5544

[illegible]

Insurances—continued

Albany Life Assurance Co Ltd
3 Darkes Lane, Potters Bar. 0707-42311

Pension Funds				
EqPenFdAc	013.4	845.7	+1.8	—
EuroFdAc	96.3	101.3	.....	—
FixedPenAc	420.5	442.5	+1.1	—
GtMnPnAc	250.7	263.9	+0.1	—
IntlManFd	264.7	278.6	-0.1	—
JapPenFd	130.0	138.8	-2.1	—
PropPenAc	129.8	136.8	+0.2	—
MplInPnAc	523.2	550.6	.....	—

Capital Life Assurance
24 Ledgate Hill, London EC4P 480

Key Inv Fd	—	123.84	.....	—
PackmkrInvFd	—	123.24	.....	—
Equity Fd	99.67	108.13	.....	—
Fxd Int Fd	98.46	103.64	.....	—
Property Fd	96.75	101.84	.....	—
Cash Fd	96.75	101.84	.....	—
Magd Fd	100.17	105.44	.....	—

Commercial Union Group
St Helens, 1 Undershaft, EC3. 01-283 7500

VarAnUtsDc17	—	5148.87	.....	—
VarAnUtsDc23	—	$33.10	.....	—
Prime Series				
Managed	127.5	134.3	-0.2	—
UK Equity	129.3	136.2	-0.3	—
Int Equity	126.8	133.5	-1.1	—
Property	103.1	108.6	.....	—
Fixed Int	110.5	116.4	+0.3	—
Index Lk Gt	90.4	95.2	.....	—
Cash	121.7	128.2	.....	—

Hand-in-Hand

Cash	99.8	105.1	+0.1	—
Fixed Int	141.3	148.8	.....	—
Property	141.3	148.8	.....	—
NatWest	186.2	196.0	.....	—

Continental Life Assurance PLC
6d High St Croydon CR0 9XN 01-680 5225

Equity Acc	162.2	170.8	.....	—
Propty Acc	153.5	184.2	.....	—
Int Acc	152.6	160.7	.....	—
Managd Acc	157.4	165.7	.....	—
Spec Sits	121.2	127.6	.....	—
Pen Int Acc	144.1	151.7	.....	—
Pen Pro Acc	171.7	180.8	.....	—
Pens Equity	187.7	197.6	.....	—
Pen Mg Acc	163.3	171.9	.....	—

Gilt Deposit. Index Fund prices available on request.

Crown Life
Crown Life House, Woking GU21 1XW. 048662-5033

PenMnyAcc	126.3	132.9	.....	—
PenMnyInt	115.5	121.5	.....	—
PeCorntFd	182.0	191.5	+3.6	—
GrewinEgFd	250.0	263.1	+2.0	—
StratInvFd	138.7	145.9	.....	—
Heritage Fd	137.5	144.7	+2.3	—
Sape Fd	119.0	125.2	+1.3	—
DBS Mangd	136.3	143.4	-0.9	—

Friends' Provident Life Office
Pixham End, Dorking. (0306) 885055

Life Funds				
Cash Accum	98.0	103.2	+0.1	—

UK Eqt Acc	109.6	115.4	+0.3	—
Fxd Int Acc	101.9	107.3	+0.3	—
IndxLkdAcc	92.9	97.8	.....	—
Mixed Acc	104.7	110.3	+0.2	—
O'seas Eq Fd	104.9	110.5	+0.3	—
Property Ac	99.5	104.6	.....	—
Pension Funds				
Cash Cap	98.1	103.3	+0.1	—
Cash Acc	100.3	105.5	+0.1	—
UK Eq Cap	104.6	110.2	+0.3	—
UK Eq Acc	106.8	112.5	+0.3	—
FixedIntCap	100.7	106.1	+0.3	—
FixedIntAcc	102.8	108.3	+0.5	—
IndexLkdCap	88.6	93.4	.....	—
IndexLkdAcc	92.5	97.5	.....	—
Mixed Cap	102.2	107.6	+0.3	—
Mixed Acc	104.4	109.9	+0.5	—
O'seasFdCap	107.3	113.0	+0.5	—
O'seas Acc	109.6	115.4	+0.6	—
Propty Cap	94.7	99.7	.....	—
Propty Acc	96.8	101.9	.....	—

General Portfolio Life Ins Co Ltd
Crossbrook St. Cheshunt, Herts. Waltham Cross 31971

PrtfloFdInA	256.2	269.8	.....	—
PrtfloEqCap	243.9	—	.....	—
UK Equity	98.2	103.5	.....	—
O'seas Equity	96.7	101.9	.....	—
Smaller Cos	93.3	98.3	.....	—
Gilt Plus	93.5	98.5	.....	—
Gilt Plus 88	94.2	99.2	.....	—
FixedIntDep	95.3	100.5	.....	—
Managed	97.2	102.8	.....	—
Inter Man	96.4	101.8	.....	—

Guardian Royal Exchange
Royal Exchange, EC3. 01-283 7107
GRE Pensions Management Ltd.

PensPrpInt	130.9	137.8	.....	—
PensPrpAcc	141.8	149.3	.....	—
PensxLkGtIn	95.7	100.8	.....	—
PensxLkGtAc	97.1	102.2	.....	—
PensDepInt	138.6	145.9	+0.1	—
PensDepAcc	151.0	158.9	+0.1	—

Henderson Administration
26 Finsbury Sq. London EC2. 01-638 5757

High Inc	146.2	153.9	+0.3	—
Gilt Edged	96.1	101.2	+0.2	—
Cap Growth	147.9	155.7	+0.3	—
Technology	171.9	181.0	-1.6	—
Nat Res'ces	138.4	145.6	-1.0	—
Spec Sits	194.2	204.5	-0.6	—
N America	225.5	237.4	.....	—
Far East	196.8	207.0	-2.2	—
Managed	191.9	202.1	-0.4	—
Property	117.1	123.3	.....	—
Prime Res	117.8	124.0	.....	—
Deposit	118.2	124.5	.....	—
Mon Currcy	95.8	100.9	.....	—
GloHlthCare	93.3	98.3	+0.2	—
Pension Funds				
Uk Equity	107.7	113.4	+0.3	—
Fixed Int	112.1	118.0	+0.4	—
Spec Sits	124.8	131.4	-0.7	—
N America	114.1	120.2	+0.1	—
Far East	135.4	142.6	-0.7	—
Managed	117.9	124.2	-0.3	—
Comm Prop	101.4	106.8	.....	—
Prime Rest	107.0	112.7	.....	—
Deposit	101.4	106.8	.....	—

Capital unit prices available on request.

Gilt Pen Fd	190.8	202.2	.....	—
GlobalEqPen	58.1	61.5	.....	—

Kinsman Assurance Society
43 Charlotte Sq. Edinburgh. 031-225 8158

Life Assur	200.9	213.2	.....	—
Savings New	127.2	129.4	.....	—
Savings Wde	190.4	194.3	.....	—

Liberty Life Assurance Co Ltd
Station Rd. New Barnet. 01-440 8210
Fund Managers, Touche Remnant & Co.

Sel Sec A	24.0	25.3	.....	—
Blue Chip	15.2	16.2	.....	—
Fixed Yield	14.1	15.1	.....	—
Gmtd Money	14.9	15.7	.....	—
Managed	17.6	18.6	.....	—
International	23.2	24.5	.....	—
Property	14.2	15.0	.....	—
Pacific	17.3	18.3	.....	—
Equity	14.3	15.1	.....	—
Special Sits	19.6	20.9	.....	—
International	12.8	13.5	.....	—
Indx Lkd Secs	10.6	11.2	.....	—
American	18.0	19.0	.....	—

London Life Linked Assurance Ltd
100 Temple St. Bristol BS1 6EA. 0272-276179

Equity	226.3	233.0	.....	—
Fixed Int	167.7	168.5	.....	—
Property	167.2	172.2	.....	—
Deposit	143.3	143.3	.....	—
Mixed	193.6	197.5	.....	—
Index Stk	106.9	100.4	.....	—
International	117.4	119.7	.....	—
London Life Managed Funds Ltd.				
Equity(P)	162.9	168.6	.....	—
Fixed Int(P)	174.2	178.3	.....	—
Property(P)	123.6	127.9	.....	—
Deposit(P)	123.6	122.8	.....	—
Mixed(P)	154.5	155.2	.....	—
Index Stk	115.2	116.0	.....	—
Int Equity	114.3	110.5	.....	—

Moneywise Friendly Society
80 Holdenhurst Rd. Bournemouth. 0202 295678

Mnywse Int	40.5	62.7	.....	—

Municipal Life Assurance Ltd
99 Sandling Rd. Maidstone. 0622 679351

Equity Fd	99.0	109.0	.....	—
Managed Fd	105.0	112.0	.....	—

Premium Life Assurance Co Ltd
Eastchester House. Haywards Heath. 0444 458721

Nat Res'ces	103.0	109.0	.....	—
Property	140.0	140.0	.....	—
UK Equity	139.0	147.0	.....	—
Intl Equity	127.0	134.0	.....	—
Jarrets Fd	91.0	96.0	.....	—

Prudential Pensions Ltd
Holborn Bars, EC1 2NH. 01-406 9222
Pru-Link Retirement Plan

Managed Fd	149.6	165.9	.....	—
Cash Fund	114.9	119.7	.....	—

St George Assurance Co Ltd
The Priory, Hitchin, Herts. 0462 57101

Managed Fd	105.2	110.8	.....	—
Universal Fd	103.2	108.7	.....	—

Save & Prosper Group
4 Gt St Helens, London EC3P 3EP. 0708 66966

DebPenFd*	189.4	200.5	.....	—
GiltPenFd*	189.8	200.9	+0.4	—
GlblEqPenFd	59.3	63.0	-0.5	—

Scottish Provident Institution
6 St Andrew Sq. Edinburgh. 031-556 9181

Mixed	97.4	102.5	-0.2	—
Equity	98.2	103.5	+0.1	—

International	100.3	105.7	-0.7	—
Property	95.2	100.3	.....	—
Fxd Interest	95.4	100.5	+0.2	—
Index Lkd	94.8	99.9	-0.1	—
Cash	95.5	100.7	.....	—
Pen Mxd Int	97.4	102.6	.....	—
Do Ord	97.7	102.9	-0.1	—
Pen Eq Int	98.1	103.4	.....	—
Do Ord	98.5	103.9	.....	—
Pns Intl Int	100.5	105.9	-0.9	—
Do Ord	100.8	106.3	-0.8	—
Pen Prop Int	95.2	100.3	.....	—
Do Ord	95.5	100.6	+0.1	—
Pen Fx Int In	95.5	100.6	+0.2	—
Do Ord	95.8	101.0	+0.2	—
Pen Ind Lk In	94.3	99.7	-0.1	—
Do Ord	94.9	100.0	-0.1	—
PensCashInt	95.4	100.6	.....	—
Do Ord	95.7	100.8	.....	—

Skandia Life Assurance Co Ltd
Frobisher Hse, Southampton. 0703 334411

Managed	155.2	163.4	+0.2	—
Equity	161.7	170.2	-0.5	—
International	182.6	192.1	+0.8	—
N American	108.9	114.6	+1.1	—
N European	108.2	115.9	+0.8	—
Pacific	115.6	122.0	-0.9	—
Int Recovery	115.4	121.5	+0.1	—
Gilt Plus	142.8	150.3	+0.5	—
Property	129.7	136.5	+0.1	—
Deposit	132.7	139.7	.....	—
PensManagd	186.6	196.4	+0.3	—
Pens Equity	190.9	200.9	-0.8	—
Pens Intl	225.1	236.9	+0.7	—
PensNAmer	111.4	117.3	+1.4	—
PensNEuro	112.4	118.3	+0.5	—
Pens Pacific	120.7	127.1	-1.1	—
PensIntRec	120.7	127.1	-1.1	—
PensGiltPls	172.5	181.6	+0.6	—
Pens Prpty	138.7	137.0	.....	—
Pens Dep	163.3	171.9	.....	—

For prices of Capital Units and Guaranteed Basic Rates please phone 0703 334411.

Swiss Life Pensions Ltd
99-101 London Rd. Sevenoaks. 0732 450161

Equity	£104.82	100.06	.....	—
Fixed Int	£104.57	105.19	.....	—
IndexLkd	£100.34	100.84	.....	—
Property	£112.99	118.48	.....	—
Cash	£101.46	101.46	.....	—
Mixed	£104.46	107.71	.....	—

Next sub day December 1.

Target Life Assurance Co Ltd
Target House, Gatehouse Road, Aylesbury, Bucks. Aylesbury (0296) 5941

Sterling	—	—	.....	7.5
U.S. Dollar	—	—	.....	8.5
Swiss Franc	—	—	.....	—
Deutsch Mark	—	—	.....	2.8
Yen	—	—	.....	3.6

TSB Life Ltd
PO Box 3, Keens House, Andover, Hants. SP10 1PG.

Managed Fd	107.4	113.2	+0.2	—
Property Fd	98.7	104.0	+0.1	—
Fixed Int Fd	102.0	107.4	+0.2	—
Money Fd	98.7	104.0	.....	—
Equity Fd	117.8	124.1	.....	—

Windsor Life Assurance Co Ltd
Royal Albert Hse, Sheet St, Windsor 68144

N Amer Fd	207.4	218.3	.....	—
FutAssGth	86.0(A)	91.0(B)	.....	—
Ret Ass Pen	—	84.40	.....	—
Far East Fd	133.7	140.7	.....	—

Offshore & Overseas—continued

Actibonds Investment Fund SA
37 rue Notre Dame, Luxemb'rg. Tel 47971
Actibonds In — 319.89 ..... —

Alliance Capital Management Intl Inc
62/65 Queen St. London EC4. 01-248 8881
Alliance International Dollar Reserves Distribution Dec 1-13 (0.003051) (8.90% pa)

HealthCrDec14	—	$6.48	.....	—
Tech'logyDec14	—	$21.38	.....	—
Quasar Dec 14	—	$47.96	.....	—

Aries Fund Managers Ltd
PO Box 284, St Helier, Jersey. 0534 72177
SterFdInt £10.54 10.61 ..... —

Bamford Brandt Guernsey Mngt Ltd
PO Box T1, St Peter Port, Guernsey. 0481 26541

Tech&Coms	£7.92	8.40	.....	—
IntGrowth	$16.98	18.01	.....	—
PacificBasinFd	—	$20.00	.....	—

Brown Shipley Tst Co (Jersey) Ltd
PO Box 583, St Helier, Jersey. 0534 74777

SlipCapitl	£16.58	16.59	.....	—
IntCurrency	£1.11	1.17	.....	—
IntBondInt	$10.69	11.10	.....	—
IntBondAc	$10.60	11.16	.....	—

CAL Investments (IoM) Ltd
16 St Georges St Douglas IoM. 0624 20231

CAL C&C*	83.7	88.1	+0.4	—
CAL Metals	94.0	98.8	+0.3	—
CAL Slv**	223.1	236.0	-8.0	—
CAL Gold**	86.0	91.2	-0.4	—
CAL Copper**	—	—	.....	—
CAL Alum**	90.5	95.3	-0.2	—

*Dealing days every Monday. **Dealings daily.

CAL Investments (Bermuda) Ltd
PO Box 1022, Hamilton, Bermuda. (809-29) 5-5950
CAL CTR Fd 67.1 70.4 ..... —
Dealing days every Monday.

Capital Preservation Fund International
14 Rue Aldringen, Luxembourg 1118
Cap Presv Fd — $10.07 .....

Commodity Advisory Svcs (IoM) Ltd
48 Athol St, Douglas, IoM. 0624-20845

Comm&FFAc	81.4	84.73	.....	—
Comm&FFd	81.40	84.79	.....	—

Next dealing date Dec 19.

Citibank (CI) Ltd "Citifunds"
Green St, St Helier. 0534-70334

U.S. $ Fd		$10.438	+0.002	—
£ Sterling Fd		£5.226	+0.001	—
SwFrancFd		SwFr20.231	.....	—
Jap Yen Fd		Y2,054.805	+0.272	—
DeutschmkFd		DM20.300	+0.002	—
Managed Fd		$10.169	+0.002	—
"Citicare"				
Citicare FdNov30		9.882	.....	—

Dunvest Ltd
PO Box 887, Grand Cayman.
NAV $172.16 ..... —

EBC Trust Company (Jersey) Ltd
1-3 Searle St, St Helier, Jersey. 0534-36331

USSDoSh'tA	1.3087	+0.0009		9.02
Do Dist	1.0246	+0.0008		9.02
Mxd Cur Sh't $	1.1167	+0.0022		8.20
Do Dist	0.9293	+0.0018		8.20
Eurobd Long Tm	23.69	.....		11.15

Fidelity International
9 Bond St, St Helier, Jersey. 0534-71696

O'lirSvgsTstl		108.03	+0.03	9.01
AmValCmPf$3†		100.0xd	.....	—
AmValsCom†		59.34	.....	—

† Prices at Oct 31.

Forbes Securities Management Co
PO Box 887, Grand Cayman, BWI. London Agents 01-839 3013

Gold Inc	$9.13	9.62	.....	13.1
Gold Acc	$7.12	7.50	.....	—
Dollar Int	$8.92	9.25	.....	13.5

Framlington Overseas Fund Mngt Ltd
PO Box 71, St Peter Port, Guernsey. 0481 26541

O'seas&Gth	$2.9	55.5xd	.....	4.0
O'seas&Gth	$74.8	78.8xd	.....	4.0

GRE International Invest Mngrs Ltd
PO Box 194, St Helier, Jersey. 0534 27441
ManCurrFd — 10.48 ..... —

Grieveson Mngt (CI)—Barrington Fund
30 Bath St, St Helier, Jersey. 0534-70101
IntIncDec8 99.1 103.8xd 5.02

Grindlay Henderson Mngt Ltd
PO Box 414, St Helier, Jersey. 0534-74248

Mgd Fd	£10.7562	11.2940	-0.0309	—
Mgd Acc	£10.1016	10.7012	-0.0299	—
Stlg Fd	£10.3813	.....	+0.0005	—
Stlg Acc	£10.3144	.....	+0.0005	—
U.S. $ Fd	$20.7602	.....	+0.0051	—
U.S. $ Acc	$20.6910	.....	+0.0052	—
DM Acc	DM50.7901	.....	+0.0048	—
SwFrAcc	SwFr50.5629	.....	+0.0017	—
Yen Acc	Y5,105	.....	.....	—

Guinness Mahon Intl Fund (Guernsey)
PO Box 188, St Peter Port, Guernsey. 0481 23506

Dollar	$20.376	+0.004		—
Sterling	£10.170	+0.002		—
Yen	Y5,052.380	+0.649		—
Deutschmk	DM50.433	+0.006		—
Swiss Franc	SwFr40.136	+0.001		—

Currency Deposit Shares

IGF Management Services Inc
c/o Registrars PO Box 1044 Cayman Is. BWI
IntGoldFd $57.81 60.70 ..... —

Jardine Fleming & Co Ltd
46th Floor, Connaught Centre, Hong Kong.

Curr 8d	$12.73	—	-0.03	0.3
(Accum)	$18.00	—	-0.04	—
Asean	$9.78	—	+0.33	—
(Accum)	39.78	—	+0.33	—
American	$8.62	—	-0.21	—
(Accum)	$8.62	—	-0.2	—
Mgd Curr	$10.08	—	+0.01	0.50
(Accum)	$10.09	—	+0.01	9.50

Lazard Brothers & Co (Jersey) Ltd
PO Box 108, St Helier, Jersey, CI. 0534 37361

CoGBd	$1368.16	1384.00	-1.40	11.3
LazBrFarE	$14.71	15.65	.....	1.00
O'sed Bd	$10.27	10.31	.....	0.3
N Am Fd	$10.58	11.26	.....	—

Lloyds Bank International, Geneva
PO Box 438, 1211 Geneva 11 (Switzerland)

LI Dollar	$99.7	101.9	.....	10.4
LI Growth	SF912.5	972.0	.....	1.6
LI Income	SF283.5	295.0	.....	6.8
LI Pacific	SF110.8	116.2	.....	1.3

Lloyds Intl. Money Market Fund Ltd.
PO Box 136, St Peter Port, Guernsey. 0481 24983

Sterling class	£10.030	.....		—
Dollar class	£20.064	.....		—

Next dealing day Dec 21.

Lloyd's Life (Isle of Man) Ltd
Bridge Hse, Castletown, IoM. 0624 824151
SAIF 96.6 100.8 ..... —

Management International Ltd
6k of B'muda Bldgs, B'muda. 809-295-4000

Bda IBFC	$16.42	10.89	.....	—
Bda IEFI	$11.22	11.34	.....	—

Prices at Dec 9. Next dealing Dec 16.

Bda IEFC	$9.73	9.93	.....	—
Bda IEFI	$9.88	9.88	.....	—

Prices at Dec 14. Next dealing Dec 21.

Manufacturers Hanover Geofunds
PO Box 92, St Peter Port, Guernsey. 0481 23961

LA Inc	$195.74	105.96	.....	9.45
L7 Acc$	$127.57	127.04	.....	9.64
MIT Inc	$111.78	112.35	.....	6.79
MIT Acc$	$127.34	127.98	.....	6.51

Geofund International Reserves Ltd

Sterling		£5.160	0.001	8.20
U.S. $		$10.332	0.003	8.99
D-Mark		DM20.342	+0.003	5.77
Swiss Fr		SWFr20.338	+0.001	3.11
Jap Yen		Y2041.2	+0.3	6.12
Managed Fund		$10.528	+0.002	9.35

Marine Midland (CI) Ltd
140 B'way NY 10015 USA. 212-440-1000
Queens Hse, Don Rd, St Helier. 0534 71460
Intl Currency 1044.3569 ..... —
Next sub day Jan 12.

Samuel Montagu London Agents
114 Old Broad St, EC2. 01-626 3434

AmDr12	SwFr93.0	100.0	.....	—
JapN15	Y39.58	42.80	+1.02	0.17
117GpN30	18.52	19.53	.....	1.30
JyFdNov22	$13.18	14.24	.....	—
MontFRNF	$10.10	10.54	.....	—

Nat Westminster Jersey Fd Mngrs Ltd
23/25 Broad St, St Helier, Jersey.
County Bank Currency Fund Ltd (a)

Dollar class	$21.0183	+0.0069		—
Sterling class	£10.5083	+0.0023		—
D-mark class	DM51.1711	+0.0073		—
Dutch Gldr	DFl51.2077	+0.0064		—
Jap Yen cl	Y5160.6330	+0.7540		—
U.S. FIF	310.0	10.55	.....	—

Norcap Fund Managers (Bermuda) Ltd
Bank of Bermuda Building, Bermuda. 809 29 5400
Amer Tst 39.67 10.08 ..... —

Rothschild Asset Management (CI)
St Julian's Ct, St Peter Port, Guernsey. 0481 26741

Sol Francs	SFr877.83	+0.19		8.11
Canadian $	C$37.795	+0.010		8.25
D-Mark	DM51.555	+0.008		4.59
French Franc	FFr169.473	+0.093		11.04
Dutch Guilder	DFl51.15	+0.010		4.94
Italian Lira	L38,684	+16.0		14.44
Jap Yen	Y6,397.04	+1.71		5.49
Singapore $	S$45.45	+0.015		8.34
Sterling	£14.731	+0.003		8.01
Swiss Franc	SwFr46.392	+0.002		1.18
U.S. Dollar	$30.28	+0.010		8.54

OC International Reserves Ltd
Daily dealings.
For other Rothschild Offshore Funds see Offshore and Overseas section.

Schroder Mngt Services (Jersey) Ltd
PO Box 105, St Helier, Jersey. 0534 27561
Schroder Money Funds Ltd

Sterling	£14.3363	.....		—
U.S. Dollar	$26.9951	.....		—
D-Mark	DM51.9149	.....		—
Swiss Franc	SwFr51.3787	.....		—

J. Henry Schroder Wagg & Co Ltd
120 Cheapside, EC2. 01-383 6000
Naess&ThDec7 $58.03 ..... —

Standard Chartered Off Money Mkt Fd
PO Box 122, St Helier, Jersey. 0534 74454

Sterling	£10.2365	.....		8.57
U.S. Dollar	$20.4309	.....		8.48
D-Mark	DM50.8692	.....		4.42
Swiss Franc	SwFr40.3010	.....		2.82
Japan Yen	Y5,074.479	.....		5.49

State St Bank Equity Hldgs NV
Car Mgt Co. 0 John 9 Gorsirawsg, Curacao. Net asset value Nov 15 $8.56.

Taiwan (R.O.C.) Fund
c/o Vickers da Costa Ltd, King William St, London EC4. 01-623 2494
NAVNT $403. 10R Value US$10,027.37

Target Trust Mngrs (Jersey) Ltd
PO Box 194, St Helier, Jersey. 0534 27441
Mod Cur Fd 98.0 103.2 +0.1 —

Tyndall-Guardian Management Ltd
PO Box 1256, Hamilton, Bermuda.

T-G Am		$22.28	.....	—
T-G Money		$21.93	.....	—
T-G $'bond		$15.56	.....	—
T-G Com		$21.98	.....	—
T-G Mort		C$20.36	.....	—
T-G O'seas		$12.33	.....	—
T-G Pacific		Y2.087	.....	—
G-G Wall St		$26.04	.....	—
T-G Gold		$9.56	.....	—

United Fund Managers Ltd
16-18 Queens Road Central, Hong Kong. 5-231417
S&MlyT $10.78 11.23 ..... —

Money Market Trust Funds

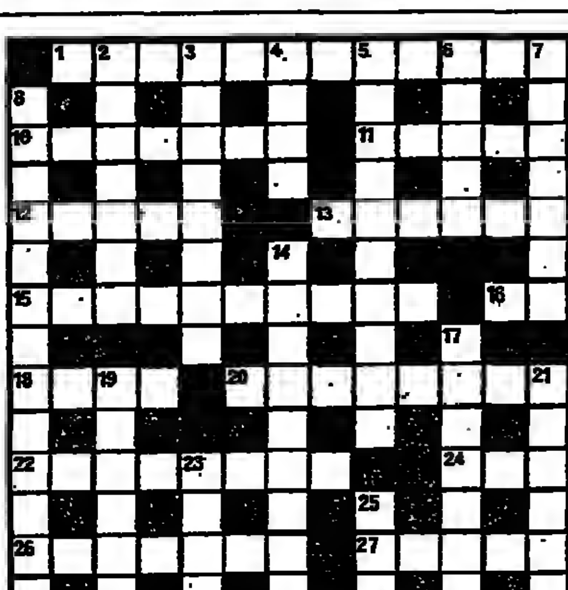
	Nom	APR	Int cr	Notice
Mallinhall Limited 38 Berkeley St. W1X 5DA. 01-499 6634				
MlnhllMnyFd	8.41	8.71	Qtr	Call
The Money Market Trust 63 Qn Victoria St EC4N 4ST. 01-236 0952				
Call Fund	8.73	9.00	6mth	Call
7 Day Fund	8.88	9.17	6mth	7day
Oppenheimer Money Management Ltd 66 Cannon St EC4N 6AE. 01-236 1425				
Call Fund	8.41	8.58	6mth	Call
7-day &	8.65	8.83	6mth	7day
HighIntDepAcc	8.47	8.58	6mth	7day
Dollar	8.43	8.60	6mth	2day

Money Market Bank Accounts

	Nom	APR	Int cr	Notice
Aitken Hume 1 Worship St. EC2A 2HQ. 01-638 6070				
Treasury Acc	8.75	9.04	Qtr	Call
MnthlyIncAcc$	8.65	9.00	Mth	Call
Bank of Scotland 38 Threadneedle St, EC2P 2EH. 01-628 8060				
Cheque Acc*	8.60	9.18	Mth	Call
Britannia Gp of Unit Trusts Ltd 29 Finsbury Circus EC2M 5QL. 01-588 2777				
Cater Allen*	8.875	9.249	Mth	Call
Dartington & Co Ltd Dartington, Totnes, Devon TQ9 6JE. 0803 862271				
MnyMktAcc*	8.75	9.04	Qtr	Call
Lombard North Central PLC 17 Bruton St. W1A 3DH. 01-409 3434				
Notice Deposit	9.0	9.2	Rate change	14-day
Save & Prosper 28 Western Rd, Romford RM1 3LB. 0708 66966				
FinancHighInt	8.34	8.70	Daily	Call
Tyndall & Co 29/33 Princess Victoria St, Bristol BS8 4BX 0272 732241				
Demand Acc	8.75	9.04	Qtr	Call
Money Acc*	8.75	9.04	Qtr	6-day
J. Henry Schroder Wagg and Co Ltd 120 Cheapside, London EC2V 6DS. 01-382 6326				
Special Dep.	8.50	8.80	6mth	7day

NOTES—Cheque facility available. Interest is calculated on the basis of a nominal rate for a given period but will not be comparable between funds or accounts if the intervals between interest credits differ. The annual percentage rate (APR) is comparable, although it will only represent the amount actually earned in a year if interest rates are unchanged. Notice periods relate to penalty-free withdrawal; in some cases earlier availability may be possible at an interest cost.

F.T. CROSSWORD PUZZLE No. 5,298



ACROSS
1 Hadrian's stationery? (7-5)
10 Striking officer—I object to the result! (7)
11 Company direction s slight mistake? No, a real bloomer! (7)
12 Chap going to Home Counties—that's where to see minister (5)
13 Lamb for example, certain to be in this? (4-4)
15 Believe competent and trustworthy (10)
16 13's first half substitute players (4)
18 Ruth discovers concealed danger at journey's end (4)
20 Assembly apprentice or local administrator (10)
22 Loyal girl almost replete (8)
24 To be truthful, it's not quite calm (5)
26 Landlord perhaps is the final winner (7)
27 Share a person's destiny (7)
28 Given an orchid, female may put her foot in it (5-7)

DOWN
2 Initially, Prime Minister's performance (7)
3 Coteries somehow abstruse (8)
4 Duck on the German river (4)
5 No ocabs, but it may prevent your working! (6-4)
6 Some cope with flighty type (5)
7 Free issue (7)
8 Someone else's heverage unsuitable? (3, 2, 3, 2, 3)
9 Drug dealer may pass you on the road (5, 8)
14 Acts cunningly for tactical exercises (10)
17 Run away together disheartened (8)
19 Four in test of little importance (7)
21 Christmas rising in East inspiring kind of Latin verse (7)
23 What Edison invented, some characters detested (5)
25 Drink up love, you're a gem! (4)

Solution to Puzzle No. 5,297

INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3 01-623 1288

Black Horse Man. Fd	240.65		—
Managed Inv. Fd	152.44	170.9d	—
Property Fd	251.03	279.6	—
Fixed Interest Fd	148.51	164.1	—
Cash Fd	136.98	144.7d	—
Income Fd	178.38	187.4d	—
Extra Income Fd	162.72	174.4d	—
Worldwide Growth Fd	228.64	240.6d	—
Balanced Fd	177.70	197.3d	—
Smlr Co's & Recy. Fd	202.34	214.7d	—
Int. Technology Fd	267.58	281.4d	—
8th. Amer & Gen. Fd	165.50	174.2d	—
Energy Inc. Fd	180.27	188.7d	—
Pacific Basin Fund	142.93	150.4d	—

British National Life Assurance Co. Ltd.
Hartands Rd, Haywards Heath. 0444 414111

Managed	111.4	119.4	—
Property	116.9	123.0	—
Equity	118.4	124.6	—
International	125.4	132.0	—
Fixed Interest	102.0	107.5	—
Deposit	106.1	108.5	—
Managed Pens. Cap.	113.4	119.4	—
Property Pens. Cap.	116.1	124.3	—
Equity Pens. Cap.	113.3	119.3	—
Intnl. Pens. Cap.	126.6	135.4	—
Fixed Int. Pens. Cap.	99.2	104.4	—
Deposit Pens. Cap.	97.5	102.8	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth Nov 30	97.1		—
Rtmt. Fxd. Nov 6	265.4		—
Managed Pen Fund	186.7	196.5	—
Property Pen Fund	115.1	121.2	—
Index Lnkd Pen Fund	117.8	117.7	—
Managed	105.5	110.1	+0.1
Property	104.5	110.1	-0.1
Gilt and Fixed Interest	107.7	113.4	+0.3
Index-Linked	98.0	103.2	—
Equity	122.4	128.9	—
Cash	106.8	110.4	+0.2
Midland Bk. Unit Tst.	152.9	157.5	-0.1
Midland Bank Intnl.	144.3	151.9	-0.5

Cannon Assurance Ltd.
1 Olympic Way, Wembley HA9 0NB. 01-902 8876

Equity Units	127.30		—
Property Units	127.30		—
Equity Bond/Exec	125.22		—
Prop. Bond/Exec	125.22		—
Bal. Bd./Exec/Unit	123.71		—
2nd Equity Acc.	198.7	208.1	—
2nd High Inc/Acc	155.8	164.5	—
2nd Property Acc.	155.8	164.5	—
2nd Managed Acc.	177.8	187.8	—
2nd Deposit Acc.	145.6	152.4	—
2nd Gilt Acc.	142.7	149.4	—
2nd American Acc.	198.1	207.4	—
2nd Intl Money Acc	140.7	147.3	—
2nd Index Acc.	143.3	150.1	—
2nd Far East Acc.	190.4	199.3	—
2nd Eq. Pens./Acc.	224.7	235.2	—
2nd Hi Inc Pens/Acc	155.2	162.5	—
2nd Prop. Pens/Acc	155.2	162.5	—
2nd Man. Pens/Acc	220.5	230.9	—
2nd Dep. Pens/Acc	191.7	201.6	—
2nd Gilt Pens/Acc	141.9	148.5	—
2nd Am. Pens/Acc	204.3	213.9	—
2nd Int.Money/Pens/Acc	176.6	184.9	—
2nd Index Pens/Acc.	106.2	111.2	—
2nd Far East Pens/Acc.	174.2	182.4	—
L & E S.I.F.	74.5	78.5	—
L & E S.I.F. 2	60.5	63.7	—

Current value at December 1.

Capital Life Assurance
Continued on adjacent page Mon-Fri and Stock Exchange Dealings Page Sat.

Chieftain Assurance Funds
11 New Street, EC2M 4TP. 01-283 3933

Managed Growth	194.59	204.83	-0.75
Managed Income	96.13	101.19	-0.07
International	137.31	144.54	+0.93
High Income	118.77	125.02	+0.30
Income & Growth	134.78	141.87	—
Basic Resources	137.58	144.82	-1.26
American	200.00	210.53	-0.07
Far Eastern (2)	196.40	206.95	-1.95
Smaller Cos	129.88	136.83	-0.37

City of Westminster Assurance
Sentry House, 500, Avebury Boulevard, Central Milton Keynes MK9 2LA. 0908 606101

Series (2)		(1) Bid	
West Prop. Fund	99.9	105.2	—
Managed Fund	206.4	218.0	-0.1
Equity Fund	123.0	129.5	-0.9
Fixed Int. Fd.	177.0	186.3	—
Money Fund	187.0	197.6	—
Gilt Fund	116.9	123.1	+0.8
Mutual Res Fd.	105.1	110.7	-0.3
PULA Fund	216.0	226.0	—
Soc. Prop. Units	85.4	89.8	85.4
Soc. First Unit Fund	264.4	281.8	-0.2
PBR Fund	125.5	132.9	126.5
Perform Units	153.8	—	—

Fund currently closed to new investment.
For Pension Prices please phone 0908 606101
Series (2) Policies are held issued after 1.1.1980. Series (1) These are bid prices for earlier policies.

Clerical Medical & Gen. Life Ass. Soc.
15, St. James's Sq., SW1Y 4LQ. 01-930 5474

Executive Investment Pensions Plan

Cash Fund Init.	98.3	103.5	—
Do. Accum.	103.9	109.4	—
Mixed Fund Init.	110.8	116.1	—
Do. Accum.	117.2	122.8	—
Fixed Interest Fd Init	102.6	108.1	—
Do. Accum.	108.4	114.2	—
UK Equity Fund Init.	127.9	134.7	—
Do. Accum.	135.3	142.5	—
Property Fund Init.	96.8	101.9	—
Do. Accum.	102.2	107.6	—
Overseas Fund Init.	122.6	129.1	—
Do. Accum.	129.4	136.3	—
Index Linked Fd Init.	98.7	95.5	—
Do. Accum.	105.7	100.8	—

Prices Dec. 14. Unit dealings on Wednesday.

Clerical Medical Managed Funds Ltd.
15 St James's Square, SW1Y 4LQ 01-930 5474

Cash Fund	127.4	127.4	—
Mixed Fund	168.5	173.6	—
Fixed Interest Fund	169.1	172.2	—
UK Equity Fund	190.1	199.2	—
Property Fund	116.4	121.6	—
Overseas Fund	191.4	201.0	—
Index Linked Fund	108.2	109.8	—

Prices Dec 14. Unit dealings on Wednesday.

Commercial Union Group
St. Helen's, 1, Undershaft, EC3P. 01-283 7500

See adjacent page Mon-Fri and Stock Exchange Dealings Page Sat.

Confederation Life Insurance Co.
50, Chancery Lane, WC2A 1HE. 01-242 0282

Equity Fund	386.3	406.6	—
Managed Fund	181.7	191.8	—
PIP Fund	967.2		—
Provd. Pen. Mngd.	197.9	208.3	—
Stabilgard Mngd. Pen.	107.9	201.2	—
Group Mngd. Pens.	188.2	198.2	—
Fixed Int. Pen.	472.7	475.0	—
Index Linked Pen.	106.1	104.4	—
Equity Pension	254.1	267.5	—
Property Pension	260.1	269.3	—
International Pen.	363.6	387.7	—
Cash Pension	130.3		—

Continental Life Insurance PLC
64/70 High St., Croydon CR0 9XN 01-680 5225

See adjacent Page Mon-Fri and Stock Exchange Dealings Page Sat.

Cornhill Insurance PLC
57 Ladymead, Guildford. 0483 68161.

Equity Fd Dec 14	146.5	154.0	—
Fixed Int Dec 14	150.5	157.5	—
Managed Fund Dec.14	236.1	248.0	—
Money Fd Dec 14	117.5	124.0	—
Gap Fd Dec 15		244.5	+9.5
G&S Spec Fd Dec 15		184.5	+5.0

Credit & Commerce Life Ass Ltd
CCI Hse, Hanover Lane EC3A 5DQ 01-283 2411

CCI Deposit Fund	122.0	130.0	—
CCI Equity Fund	122.7	130.6	—
CCI Intl. Inc. Fnd.	154.0	162.0	—
CCI Mngd. Fnd. Acc.	252.8	265.0	—
CCI Mngd. Fnd. Cap.	221.0	233.0	—
Hendersons Managed	101.0	106.5	—
CCI Blue Chip Fd.	120.0	127.0	—
CCI Intl. Fd.	127.0	134.0	—
CCI High Income Fd.	129.0	137.0	—
CCI Property Fd.	120.0	130.0	—

Crescent Life Assurance Co. Ltd.
14 New Bridge Street, EC4V 6AU 01-353 8931

Managed Fund	140.3	149.6	+0.3
Managed Int.	144.3	153.9	+0.4
UK Equity	146.9	155.3	-0.4
Property	109.5	115.7	—
Money Market	117.2	123.9	+0.1
Fixed Int.	132.2	140.0	+0.5
Tokyo	164.1	174.3	+0.3
American	142.3	151.8	+0.2
International	129.5	137.6	+0.4
Growth & Incm	139.9	147.2	+0.5
High Distribution	134.8	144.9	+0.2
Capital	145.3	154.4	+0.2
Resources Fund	99.3	102.2	-1.2

Crown Life
Crown Life Hse., Woking GU21 1XW 04862 5033.

Dep. Fd. Incm.	148.8	156.7	7.50
Mang'd Fd. Acc.	279.0	293.8	—
Mang'd Fd. Init.	176.3	185.7	—
Mang'd Fd. Incm.	176.3	185.7	6.80
Mang'd Fd. Cap.	264.8	278.9	—
Property Fd. Acc.	142.1	149.7	—
Property Fd. Init.	134.1	141.2	—
Property Fd. Incm.	134.1	141.2	4.00
Property Fd Cap.	139.5	146.9	—
Fixed Int Fd Acc.	177.4	186.8	—
Fixed Int. Fd. Incm.	137.1	144.4	10.00
Fixed Int. Fd. Cap.	173.7	182.9	—
Equity Fd. Acc.	238.5	251.1	—
Equity Fd. Init.	178.5	188.0	—
Equity Fd. Incm.	169.4	178.4	5.50
Equity Fd. Cap.	236.4	249.0	—
Int. Yd. Fd. Acc.	192.3	201.3	—
Int. Yd. Fd. Init.	182.9	191.5	—
Int. Yd. Fd. Incm.	182.9	191.5	3.00
Money Fd. Acc.	144.6	152.3	—
Money Fd. Incm.	92.5	97.3	10.50
Money Fd. Cap.	141.9	149.4	—
Inter'l Fd.	201.4	212.0	—
Inter'l. Fd. Incm.	170.8	179.7	-0.2
High Income Acc.	119.4	125.6	—
High Income Inc.	115.4	121.4	6.50
Crown, Brit. Inv. A.	277.3		—
Pens. Mixed. Fd.	218.0	225.9	-0.6
Pens. Mang'd. Acc.	161.4	168.5	-0.6
Pens. Mang'd. Init.	147.9	154.4	-0.6
Pens. Equity Acc.	196.2	205.9	+0.5
Pens. Equity Init.	179.8	188.7	—
Pens. Fxd. Int. Acc.	151.6	159.1	—
Pens. Fxd. Int. Init.	150.1	157.5	—
Pens. Growth Acc.	172.7	181.2	—
Pens. Growth Init.	158.1	165.9	—

Continued on adjacent Page Mon-Fri and Stock Exchange Dealings Page Sat.

Crusader Insurance PLC
Tower Hse, 38 Trinity Sq, EC3N 4DJ 488 2323

Growth Prop Dec 6	126.2	128.7	—
Mgd Pens Nov 9	162.72	167.19	—

Eagle Star Insur./Midland Assur.
1, Threadneedle St., EC2. 01-588 1212

Eagle/Mid. Units	109.6	113.6d	+0.2

Equity & Law Life Ass. Soc. Ltd.
Amersham Road, High Wycombe. 0494 33377

UK Equities Fund	282.9	301.4	+0.9
Higher Inc. Fund	194.7	204.9	+0.5
Property Fund	211.8	222.7	—
Fixed Interest Fund	186.2	195.9	+0.5
Index Linked Secs Fd.	99.3	102.5	—
Gtd. Deposit Fund	147.5	152.2	—
8th. America Fund	200.9	218.5	+0.4
Far East Fund	143.5	151.0	-2.0
Europe Fund	98.9	103.9	+0.1
International Fund	171.8	180.8	+0.7
Mixed Fund	234.4	246.7	—

Equity & Law (Managed Funds) Ltd.
Amersham Road, High Wycombe. 0494 33377

Ind. Pen. Equity	276.3	290.8	-0.3
Ind. Pen. Property	142.3	149.8	—
Ind. Pen. Fixed Int.	189.7	199.6	-0.7
Ind. Pen. Intn Lk. Sec.	113.8	119.7	—
Ind. Pen. Overseas	277.9	292.5	-0.6
Ind. Pen. Cash	157.1	165.3	—
Ind. Pen. Balanced	223.9	234.7	-0.5
Ind. Pen. Dep. Admin.	159.7	168.1	—

Gross Pension Funds—Prices Available On Request.

Family Assurance Society
Blenheim Hse., Church St., Brighton 0273 671111.

Family A. Managed	232.7	237.5	—
Family B. Managed	129.4	132.0	—
Family C. Gilt	107.3	109.5	—
Family D. Fixed Int.	146.4	149.4	—
Family Capital Managd.	128.9	131.5	—
Family Intl II	70.0	79.6	—
Family Growth	54.8	56.0	—

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ. 01-628 8131

G.T. Plan Bond Fund	126.2	132.9	—
GT Pln High Yld Fnd	124.2	130.8	—
GT Plan Far East Fnd	124.1	130.7	—
GT Plan N. Am Fd.	132.6	136.2	—
GT Pln UK&G.E. Fnd	140.5	147.9	—
GT Pln Worldwide Fnd.	139.4	147.0	—
GT Pension Bnd Fnd.	137.2	144.4	—
GT Pen High Yld Fd.	141.3	148.8	—
GT Pen Far East Fd.	152.6	160.7	—
GT Pen N. Am. Fd.	203.1	213.8	—
GT Pen UK&G.E. Fd.	163.4	172.1	—
GT Pen Worldwide Fd.	149.1	157.0	—

Prices for Accum. Units only.

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl. Managed Bond	166.9	175.7	—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham K 31971

Portfolio Fd. Acc.		264.3	—
Portfolio Fd. Init.		210.5	—

See adjacent page Mon-Fri and Stock Exchange Dealings page Sat

Gresham Unit Ass. Ltd.
2-6, Prince of Wales Rd. B'mouth. 0202 767655

Managed Fd.	278.2	293.2	—
Money Fd.	135.4	144.0	—
Equity Fd.	235.3	247.7	—
Fixed Int. Fd.	118.7	125.1	—
Property Fd.	171.0	182.1	—
Managed Pen. Fd.	254.3	270.1	—
Equity Pension Fd.	186.0	196.0	—
Fixed Int. Pen. Fd.	164.2	172.2	—
High Yield Pen. Fd.	163.8	172.2	—
Money Pension Fd.	129.2	136.0	—
Property Pension Fd.	128.2	136.1	—

Gresham Pensions
American & Gen. Fd. 254.0 267.7 -1.0
Income Fd. 189.4 199.6 —
Int'l. Growth Fd. 274.6 289.4 -0.3
Capital Fund 201.6 212.5 —
Recovery Fund 152.5 160.7 -0.5

Growth & Sec. Life Ass. Soc. Ltd.
48, London Frnt Exchange, E1 6EU 01-377 1122

Flexible Finance	1.541		—
Landbank Secs.	0.6449		—
Landbank Secs. Acc.	189.4	194.3	—
G. & S. Super Fd	111.9639		—

Guardian Royal Exchange
Royal Exchange, EC3. 01-283 7101.

Guardian Insurance

Property Bonds	307.0	319.7	—

GRE Linked Assurance Ltd.

Managed Initial	221.0	235.1	+0.2
Do. Accum.	239.4		+0.3
Equity Initial	254.9		+0.7
Do. Accum.	276.2		+0.8
Fixed Int. Initial	176.2		+0.2
Do. Accum.	218.7		+0.7
Intnl. Initial	222.4		-2.1
Do. Accum.	240.7		-2.3
North American Initial	108.8		-1.4
Do. Accum.	302.2		-1.6
Pacific Initial	105.0		+0.6
Do. Accum.	105.5		+0.6
Index-Linked Gilt Init.	93.7		—
Do Accum	95.0		—
Property Initial	124.4		—
Do Accum	130.5		—
Deposit Initial	123.3		—
Deposit Accum.	137.7		+0.1

GRE Pensions Ltd.

Pens. Managed Initial	210.6	221.7	+0.6
Pens. Managed Acc.	229.4	241.5	+0.5
Pens. Equity Initial	272.5	286.8	+0.6
Pens. Equity Acc.	296.8	312.3	+0.7
Pens. Fxd. Int. Initial	179.8	218.2	+0.7
Pens. Fixed Int. Acc.	217.6	229.0	+0.6
Pens. Intnl. Initial	209.7	220.7	+0.1
Pens. Intl'l. Acc.	228.4	240.4	-2.1

Continued on adjacent Page Mon-Fri and Stock Exchange Dealings Page Sat.

Hambro Life Assurance P.L.C.
Allied Hambro Ctr, Swindon, SN1 1EL 0793 28291

Fixed Int. Dep. Acc.	187.0	196.7	—
Equity Acc.	164.5	173.1	—
Managed Acc.	283.2		—
Managed Cap.	233.2		—
Managed Acc.	255.2	271.1	—
Managed Cap.	257.2		—
Gilt Edged Acc.	212.8		—
American Equity Acc.	242.3	256.5	—
American Man Acc.	128.6	135.4	—
American Prop Acc.	101.5	107.3	—
Pen.F.I.Dep.Cap.	203.3		—
Pen.F.I.Dep.Acc.	287.4		—
Pen. Prop. Cap.	245.9	261.1	—
Pen. Prop. Acc.	339.6		—
Pen. Man. Cap.	429.2		—
Pen. Man. Acc.	449.4	474.7	—
Pen. Gilt Gt. Cap.	227.1	239.8	-9.1
Pen. Gilt Edg. Acc.	289.5	305.8	—
Pen. Eq. Cap.	615.5	651.1	—
Pen. Eq. Acc.	727.7	768.9	—
Pen. B.S. Cap.	294.0	310.6	—
Pen. B.S. Acc.	280.5	296.3	—
Pen. D.A.F. Cap.		145.9	—
Pen. D.A.F. Acc.		203.1	—

Hearts of Oak Benefit Society
129, Kingsway, London, WC2B 6NF 01-404 0393

Property Fund	47.6	51.9	—
Managed Fund	129.0	136.0	—

Henderson Administration
26 Finsbury Sq, London EC2. 01-638 5757

See adjacent page Mon-Fri and Stock Exchange Dealings page Sat

Hill Samuel Life Assur. Ltd.
NLA Tower, Addiscombe Rd., Croy. 01-686 4355

Security Fund	148.7	156.6	—
British Fund	148.9	155.8	—
International Fund	173.4		-0.6
Dollar Fund	175.7		+0.6
Capital Fund	149.7		-0.4
Income Fund	157.4		-0.5
Property Series A	175.9		—
Property Units	286.3		—
Financial Fund	136.2		+0.3
Managed Series A	181.3		+0.4
Managed Series C	146.1		+0.4
Managed Units	315.0		+1.7
High Yield Fund	150.8		+0.7
Money Series A	144.4		—
Money Units	182.6		—
Equity Fund	186.3		-0.8
Fixed Int. Fund	163.0		-0.4
Index Linked	99.9		—
European Fund	174.9		—
Natural Resources Fd.	141.7		+0.3
Far East Fund	205.5		-1.5
Smaller Cos.	144.6		—
Spec. Sits Fund	146.3		—
Mangd. Cncy. Fund	116.0		—
Japan Tech	96.2		—

Pension Fund Prices

Property Acc.	199.3	203.5	—
Property Cap.	159.6	168.9	—
Managed Acc.	163.1	180.7	—
Managed Cap.	203.0	217.9	—
Guaranteed Acc.	207.5	218.5	—
Guaranteed Cap.	162.3	170.9	—
Equity Acc.	270.0	284.3	—
Equity Cap.	222.1	233.8	—
Fixed Int. Acc.	211.6	222.8	—
Fixed Int. Cap.	174.9	184.2	—
Indexed Secs. Acc.	204.0	219.5	—
Indexed Secs. Cap.	95.3	100.4	—

Imperial Life Ass. Co. of Canada
Imperial House, Guildford. 571255

Growth Fd Dec 16	149.8	162.8	—
Pnsn Fd Dec 16	156.9	170.5	—
Pnsn Fd Dec 16	156.9	—	—

Unit Linked Portfolio

Managed Fund	164.9	173.6	—
Fixed Int. Fd.	174.8	184.0	—
Secure Cap Fd	143.7	150.7	—
Equity Fund	235.1	247.4	—
Property Fund	133.9	141.0	—

Irish Life Assurance Co. Ltd.
Basildon House, 7/11 Moorgate, EC2. 01-606 8401

Property Bonds	273.6		—
Property Bonds Gtd.	352.0	370.5	—
Prty. Mod. Gth. Ser. 2	163.9	172.5	—
Prty. Mod. Gth. Ser. 3	164.0	172.5	—
Blue Chip	120.7		—
Blue Chip Series 2	177.2		—
Blue Chip Series 3	126.4		—
High Income Series 3	52.8		—
Managed	409.5		—
Managed Series 2	363.2		—
Managed Series 3	161.6		—
Global Series 3	179.7		—
Exempt Managed	247.6		—
Prty. Pen. Ser. 2	112.9		—
Equity Pen. Series 2	196.2		—
Gth Edged Pen. Ser. 2	208.3		—
Managed Pen. Ser. 2	297.2		—
Cash Pension Series 2	117.9		—

Langham Life Assur. Co. Ltd.
Langham Hse., Hohnbrook Dr., NW4. 01-203 5211

Harvest Pen. Fund	145.1	152.7	—
Harvest Pen. Plan	87.1	92.1	—
Prop. Bond	241.6	254.4	—
Wisp (SP) Man Fd	118.7	124.9	—

Legal & General (Unit Assur.) Ltd.
Kingswood House, Kingswood, Tadworth, Surrey KT20 6EU. Burgh Heath 53456

Cash Initial	119.0	125.7	—
Cash Accum.	144.4	152.5	+0.1
Equity Initial	91.2	97.1	+0.1
Do. Accum.	110.2	117.3	+0.1
Fixed Initial	211.1	223.0	+0.4
Do. Accum.	253.1	267.4	+0.5
Index Linked Gilt	98.2	103.7	—
Do. Accum.	99.1	104.7	—
Intl. Initial	107.2	113.2	—
Do. Accum.	107.5	113.6	—
Managed Initial	185.1	195.4	—
Do. Accum.	187.5	198.0	—
Property Initial	98.8	104.3	—
Do. Accum.	99.1	104.7	—
Deposit Initial	98.8	104.3	—
Do. Accum.	99.1	104.7	—
Exempt Prop. Init.	94.1	99.4	—
Do. Accum.	94.1	99.4	—
Exempt Mngd.	98.1	103.6	—
Do. Accum.	98.1	103.6	—
Exempt Prop. Init.	94.1	99.4	—
Do. Accum.	94.1	99.4	—
Do. Deposit Init.	98.1	103.6	—
Do. Accum.	98.1	103.6	—

Legal & General Prop. Fd. Mgrs. Ltd.
21, Queen Victoria St., EC4N 4TP. 01-248 9678

L & G Dec 1 ..... 135.7 142.9 .....

Next sale day January 3.

Life Assur. Co. of Pennsylvania
8, New Rd., Chatham, Kent. Medway 812348

LACOP Units	13.40	14.28	—

Lloyds Life Assurance
20, Clifton St., EC2A 4HX 01-920 0202

Multi Gth A Cap Dec 5 ..... 248.3 261.1 .....
Op B Fxd Dec 15 ..... 208.5 219.3 .....
Op B Equity Dec 19 ..... 287.3 302.1 +0.6
Op B Hy Dec 15 ..... 269.0 277.2 .....
Op B Man Dec 15 ..... 297.9 312.7 .....
Op B Dep Dec 19 ..... 187.6 197.1 +0.1
Op B Int Bond Dec 15 ..... 148.4 .....
Op B Inc Dist Dec 15 ..... 128.6 .....
Op B Int Man Dec 15 ..... 128.5 .....
Op U US$ F I Dec 15 ..... 134.0 .....
Pens B Pr Ac Dec 15 ..... 294.2 .....
Pens B Pr Cp Dec 15 ..... 280.4 .....
Pens B Eq Ac Dec 15 ..... 179.3 .....
Pens B Eq Cp Dec 15 ..... 639.0 .....
Pens B IF Ac Dec 15 ..... 284.0 .....
Pens B F I Cp Dec 15 ..... 251.8 .....
Pens M Md Ac Dec 15 ..... 501.0 .....
Pens B Md Cp Dec 15 ..... 546.5 .....
Pens B Dp Acc Dec 15 ..... 286.5 .....
Pens B Dp Cp Dec 15 ..... 298.0 .....

Lloyds Life Assurance—cont.
Gartmore Funds—Series A

American Dec 13	119.9	128.3	—
British Dec 13	136.9	137.8	—
Commodity Dec 13	112.6	113.5	—
Extra Inc Dec 13	126.9	127.3	—
Far Eastern Dec 13	112.5	113.3	—
High Inc Dec 13	119.8	126.7	—
Income Dec 13	156.6	156.5	—
Global Strat Dec 13	190.2	200.2	—
Special Sits Dec 13	134.5	143.4	—
Gilt Dec 13	104.4	109.9	—
Japan Dec 13	171.6	179.6	—
U. Small Co's Dec 13	118.1	129.0	—
Man Gen Dec 13	163.1	160.6	—
Autrim Dec 13	115.9	122.1	—
Oil and Energy Dec 13	114.4	120.5	—
Gold Share Dec 13	81.9	83.1	—

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF. 01-404 0393

'Asset Builder'	66.3	10.3	-1

London Indemnity & Gen. Ins. Co. Ltd
18-20, The Forbury, Reading 583511.

Money Mkgr Dec 15	67.7	67.7	—
MM Flexible Dec 6	95.7	94.4	—
Fixed Interest Dec 1	96.4	99.4	—

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279179

See adjacent page Mon-Fri and Stock Exchange Dealings page Sat.

London & Manchester Gp.
Winstade Park, Exeter EX5 1DS. 0392 52155

Invest. Tst. Fd. Cap.	106.5	—	-0.7
Invest. Tst. Fd. Acc.	125.4	—	-0.7
Property Fund Cap.	137.1	—	—
Property Fund Acc.	144.4	—	+4.7
Flexible Fund Cap.	104.0	—	+0.1
Flexible Fund Acc.	105.4	—	-0.1
Fixed Int. Fd. Cap.	147.1	—	+0.1
Fixed Int. Fd. Acc.	150.1	—	-0.8
Gol. Deposit Fd. Cap.	139.4	—	—
Gol. Deposit Fd. Acc.	140.4	—	—
Equity Fund Cap.	130.3	—	-0.5
Equity Fund Acc.	138.0	—	-0.5
International Fd. Cap.	110.7	—	+1.1
International Fd. Acc.	145.8	—	+1.2
Capital Gnth. Fd.	122.6	—	-0.7
Moneymaker Fund	117.4	—	-0.1
Exempt Inv Tst Cap.	127.0	—	+0.4
Exempt Inv Tst Acc.	148.3	—	-0.7
Exempt Inv Tst NS	145.0	—	+0.6
Exempt Prty Cap.	198.2	—	—
Exempt Prty Acc.	199.8	—	—
Exempt Prty NS	119.3	—	+4.5
Exempt Flex Cap.	146.6	—	—
Exempt Flex Acc.	154.9	—	—
Exempt Flex NS	126.9	—	-0.3
Exempt Equity Cap.	113.1	—	+0.7
Exempt Equity Acc.	118.4	—	+0.7
Exempt Fxd Int Cap.	107.4	—	+0.6
Exempt Fxd Int Acc.	112.6	—	+0.6
Exempt Std Dep Cap.	104.8	—	+0.1
Exempt Std Dep Acc.	109.8	—	+0.1

*Addition to price where reduced weekly charges apply.

M & G Group
Three Quays, Tower Hill, EC3R 6BQ. 01-626 4588.

American Fund Dec.	130.0	136.9	+0.6
American Exc. Bond	104.4	109.9	+0.6
American Smlr Cos Bd.	98.7	—	—
Australian Dollar Bond	116.1	117.8	-1.4
Commodity Bond	123.5	—	—
Deposit Bond	100.8	101.0	+0.1
Equity Bond (Acc)	203.9	215.1	+0.5
Extra Yield Fd. Bond	152.4	160.5	+0.2
Far Eastern Bond	115.8	121.9	-0.1
Gold Bond	108.3	114.1	-0.1
Gold Fund	104.4	110.0	-1.0
High Yield Bond	123.8	130.4	+0.2
Index-Linked Gt Bd.	100.3	107.2	—
International Bond	105.3	110.9	-0.3
Japan Fund Bond	104.2	109.8	-1.3
Managed Bond	274.7	289.4	+0.4
Property

Zinc prices hit nine-year high

BY RICHARD MOONEY

ZINC PRICES on the London Metal Exchange climbed to the highest level for 9½ years yesterday after Billiton, the Dutch producer, announced that it had raised its European selling price by $30 to $980 a tonne. The LME cash price ended the day £9 up at £606.50 a tonne.

The Billiton move came as a surprise to most traders and has not so far been followed by other producers. It is the first increase since the general lifting of producer prices from $925 to $950 a tonne four weeks ago.

That was the sixth rise since this year's producer price advance began with the quotation at $750 a tonne in May.

Buying and short-covering following yesterday's announcement found sellers "rather reserved," traders said, and the three-months price moved through an established resistance area around £615 before advancing further.

The LME price rise was also encouraged by news of a 2,500 tonnes fall in LME warehouse zinc stocks last week to 97,350 tonnes. Lead stocks also fell, by 425 tonnes to 171,475 tonnes, but stocks of other metals were all higher. Stocks of copper rose by 5,150 tonnes to 431,525; tin by 425 tonnes to 43,280; aluminium by 100 tonnes to 227,725, nickel by 642 tonnes to 27,774; and silver by 1.56m troy ounces to 43.944m.

With sterling firmer, prices for other base metals were somewhat restrained, though there was some spill-over buying encouraged by the strength of the zinc market.

Copper wiped out a little of last week's £34 decline with a £3.50 rise to £969.50 a tonne. Some analysts said they thought the copper market still had some "downside potential" though they hedged their bets by warning that any decline was likely to be tempered by protective short-covering prior to the Christmas holiday.

Lead was also encouraged by zinc's rise and the cash quotation ended the day £3.25 up at £275.75 a tonne. But the slide in tin prices continued with cash standard metal closing £28.50 lower at £8,649 a tonne. Prices in Penang fell overnight to the International Tin Agreement's "must buy" level of 29.15 Ringgits a picul.

Agriculture warning

BY OUR COMMODITIES STAFF

BRITAIN should not trade the future of its agriculture industry against a deal on the EEC budget, Sir Richard Butler, president of the National Farmers' Union of England and Wales, said in London yesterday.

Speaking after the first plenary session of the UK farming unions' annual farm review, he said farmers accepted that the Common Agricultural Policy must be cost effective and that supply and demand for farm produce in the EEC must be brought more into balance.

"We understand and support the British Government's determination to achieve a fair and lasting formula for the British contribution to the EEC budget," be added, "but the Government must not accept a deal on the budget at the expense of British agriculture."

He claimed that more than 2m jobs were wholly or partly dependent on the success of the UK farming industry.

Values of coffee fall back again

By Richard Mooney

LONDON COFFEE futures prices fell back again yesterday as dealers anticipated the release of extra coffee onto the world market under the terms of the International Coffee Agreement (ICO).

The recent price rise has lifted the ICO indicator price above 140 cents a pound and once the 15-day average reaches this leve lanother 1m tonnes of export quotas will be released. The average was 139.85 cents a pound on Friday an dthe indicatro was 142.27 cents.

The March futures position finished yesterday at £1,997.50, down £23 on the day.

● FARMWORKERS in England and Wales earned an average of £128.45 for a 49.9 hour week in the July to September quarter, up from £114.85 for 49.1 hours in the same period last year

● THAILAND'S rubber exports rose 5.18 per cent to 519,118 tonnes in the first 11 months of this year. Japan remained the biggest buyer,

● TH7 1984 U.S. rice programme will include a 25 per cent acerage reduction requirement, with a signup period from January 16-February 24. Target price will be $11.90 per cwt, the statutory minimum, and national average loan rate will be $8.

● CANADA is investigating possible subsidies by the Netherlands and Denmark on canned ham and canned processed ham exported to Canada.

● THE EEC grain harvest, excluding rice, fell to 122.45m tonnes this year from 131.4m tonnes in 1982.

● TAIWAN importers' joint committees announced they were proposing import targets of 2.95m tonnes of maize and 1.25m tonnes of soyabeans for next year.

Israel faces squeeze on citrus exports

Our Correspondent reports on a growth in competition

PRESSURE on the British citrus markets is being stepped up this year by the delivery of a million more 15kg cartons from Israel than last season, when rain, sleet and snow at critical times harmed otherwise exportable fruit to the extent that much of it had to be sold domestically or processed.

The Israeli season, during which Britain will import 9m cartons, now runs from August to June, with 85 per cent of shipments covering the October-May period.

Like Spain, which also supplies the UK with around £50m worth of citrus a year, Israel has been putting more emphasis on "easy-peelers" which will arrive continuously from January to May.

An addition to the range of Jaffa grapefruit this season was offered in boxes with yellow labels reading "Autumn Selection" and containing the products of a special selective picking of fruit for quality and early maturity in the groves that ripen first in the country. These commanded premium prices.

Israel's Citrus Marketing Board claims to have studied UK market requirements more closely than before and to have brought deliveries correspondingly nearer to them. The intelligence on which such progress is based has been helped by the fact that supermarkets, whose scale and sophistication make for effectiveness in market appraisal, now buy more than half the Jaffa consignments to Britain.

Shamoutis, which will account for almost 70 per cent of the 6.25m cartoon of oranges due to arrive for December to June, are abundant this season where a year ago they were scarce. Quality control has been tightened, and repacking will be done where necessary. Cold storage is available for all fruit until it is sold.

To speed delivery in the interests of *freshness*, fast Scandinavian ships have been chartered, reducing rival Spain's advantage of proximity. Promotion, mostly directed at the trade, has been intensified and will cost about £400,000 this season.

At the production end, further efficiency is being sought by breeding dwarf varieties of trees for easier picking, and by experiments with computerised robots that would eliminate picking.

Extra market pressure is also coming this year from Spain, the increase in whose deliveries, estimated at 11.5 per cent, will be only slightly less than that of Israeli's.

Israel expects more problems from Spain in the future. These were discussed in London recently by Mr H. Gruper, Israel's Minister of Agriculture, who said his country was seriously concerned that the protectionist measures of the EEC would, on Spain's accession to it, "radically alter the trading potential for Israel, as well as for other Mediterranean producers."

A *further worry for Israel* is competition from Cyprus in grapefruit. Cyprus fruit is generally offered at prices lower than Israel's, and while the board that markets Jaffa products is strict about setting the rates at which its 35 panelists in Britain sell, Cyprus sometimes goes so far as to leave its prices "open," letting the seller get the best he can for the exporter.

Since so far this season more than 290,000 boxes of Cypriot grapefruit have been delivered compared with about 270,000 from Israel, the impact of such competition is considerable, and helps to explain why prices this year have barely kept pace with inflation.

Bread-wheat offer angers farmers

BY OUR COMMODITIES STAFF

AN OFFER of "cheap" British bread-marking wheat for use in livestock feed today is likely to arouse little commercial interest but considerable annoyance in the UK farming community.

Under a scheme to cut its growing surplus the EEC is authorising the cut-price sale of 2m tonnes of bread wheat for this purpose, 150,000 tonnes of it in Britain. But for British buyers the special offer price will be higher than the ruling market level.

The minimum price set for today's selling tender is 205.39 a tonne European Currency Units (ECUs), the same as in other Community countries. But the price is translated into national currencies at the so-called "green" rates of exchange, not the real commercial rate.

In Britain's case the "green" rate is well below the real rate so the offer price works out at £127.07 a tonne, nearly £7 above the going market price.

The price of bread wheat on France's Rouen market is a little less than the British price but because the "green franc" is below the real franc, traders will be able to take up the EEC offer at a highly attractive price equivalent to about £112 a tonne.

The offer is also likely to be attractive on most other continental markets.

The arrangement has caused considerable bad feeling among British livestock producers and animal feed compounders.

Livestock sector leaders have been campaigning for EEC grain stocks to be used to help struggling livestock producers, particularly in the pig sector, and the plan was welcomed when it was first announced.

Publication of the details persuaded many, however, that the scheme had been deliberately arranged to ensure that the "troublesome British" devised no benefit from it.

A seasonal rise in grain prices is likely as the tender series progresses but this is taken care of by a rising scale for the offer price, which will go up 2.57 ECUs (£1.59) each month.

France outlines sugar terms

PARIS — The European Community must be allowed to export an amount of sugar equivalent to the average it has exported during recent seasons if it joins the International Sugar Agreement, French farm minister Michel Rocard said.

He told French sugar beet growers that the EEC's right to export the average of recent years must be guaranteed even if world prices fall and the rules of a new pact oblige other producers to curb exports.

The EEC does not belong to the current pact but M Rocard said that despite this it has limited exports and stocked sugar. He said the community must export during the current season the same amount of sugar as it sold in 1982-83.

Since output this year will be down, the EEC will be obliged to export stocks.
Reuter

EEC beef mountain expected to double

By Our Commodities Staff

THE Common Market beef mountain is expected to end this year at nearly double the end-1983 level.

In its latest International Market Review, Britain's Meat and Livestock Commission (MLC) estimates end-year stocks in the community at 390,000 tonnes, up from 204,000 a year ago.

But it expects a modest fall next year to about 375,000 tonnes.

The combination of increasing production and a weak market has resulted in an upsurge in support buying this year. MLC forecasts that purchases by national intervention boards on behalf of the community will reach a record 430,000 tonnes.

EEC reduction of beef and veal in 1983 is estimated to have rises 211,000 to £6.86m tonnes while consumption is put at 19,000 tonnes down 6.59m.

Consumption is projected to rise 110,000 tonnes in 1984 with production up 136,000 tonnes.

● *The MLC Commissioners* have rejected a plan proposed by The Meat Promotion Executive (MPE) to impose a new statutory levy on producers to boost production funds.

The proposed levy, which would have required an Act of Parliament, would have raised an extra £2m a year to add to the £5.6m share of the commission's £10.5m levy income which already goes for promotion.

The commissioners reaffirmed their support for meat promotion activity but said yet another statutory levy would not be entertained except in the most extreme circumstances.

PRICE CHANGES

In tonnes unless stated otherwise	Dec. 19 1983	+ or —	Month ago
Metals			
Aluminium	£1050	—	£1050
Free Mkt	$1540/1570	—40	$1490/520
Copper			
Cash h grade	£969.5	+3.5	£944
3 mths	£996.75	+4.25	£967.25
Cash Cathode	£953	+4	£928
3 mths	£978	+3.5	£959
Gold troy oz	$378.125	+1.25	$374.625
Lead Cash	£275.75	+3.25	£272.75
3 mths	£285.75	+3.625	£281.75
Nickel	£4646.34		£4646.34
Free Mkt	205/225c		205/225c
Palladium oz	$166.25	+4.75	$145.25
Platinum oz	£259.40	+0.60	£259.50
Quicksilvert	$305/310		$310/315
Silver troy oz	609.10p	—15.30	571.15p
5 mths	625.10p	—15.15	583.75p
Tin cash	£8648	—28.5	£8675
3 month	£8809	—34.5	£8865.5
Tungsten	$76.08		$78.12
Wolfr'm 22.04lb	$68/73	+1	$68/73
Zinc Cash	£606.5	+9	£598
3 mths	£621.570	+8.875	£606.0
Producers	$950		$950

	Dec. 19 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$1070x	+30	$900
Groundnut	$860y		‡
Linseed Crude	‡		‡
Palm Malayan	$720v	+15	$660
Seeds			
Copra Phil	$695y		$665
Soyabean (U.S.)	$315x		$308
Grains			
Barley Fut. Mar	£123.60	—0.60	£118.95
Maize	£148.0x		£146.50
Wheat Fut. Mar	£193.60	+0.25	£180.00
No 2 Hard Wint	‡		
Other commodities			
Cocoa ship't*	£1948	+5	£1920
Fut. March	£1967	+2.5	£1677.5
Coffee Ft. Mar	£1997.5	—85	£1957
Cotton A.Index	89.25c	—0.35	89.45c
Gas Oil. Jan	$243	+1	$244
Rubber (kilo)	93.00p	—1.25	91.25p
Sugar (Raw)	£135wx	+1	£135
Wooltp's 64s	425p kilo	+8	405p kilo

‡ Unquoted. v Jan. x Dec-Jan. † Per 75 lb flask. * Ghana cocoa. n Nominal. c Cents per pound.

LONDON OIL

Gas oil opened $1.75 down but prices rose towards the end of the morning session. A stronger New York opening continued to strengthen the London market in thin volume.

Crude oil firmed slightly in low volume, reports Premier Man.

Turnover: 1,411 (2,477) lots of 100 tonnes.

CRUDE OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per brl		
Feb	28.05	+0.05	—
Mar	87.81	+0.07	—
Apr	27.70	—0.20	27.75
May	87.05	—0.00	27.66-27.46
June	27.63	—0.12	—

Turnover: 2,477 (2,982) lots of 100 tonnes.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.05-28.20	—0.05
Iranian Light	27.80-28.00	+0.80
Arab Heavy	20.05-80.20	—0.08
North Sea (Forties)	20.35	—0.07
North Sea (Brent)	28.20-28.45	—0.24
African Bonny L'ht	88.60-29.00	+0.05
PRODUCTS—North west Europe CIF ($ per tonne)		
Premium gasoline	265-272	—9.0
Gas oil	240-248	—1.6
Heavy fuel oil	170-175	—9.0

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Dec	941.00	+8.50	241.50-240.0
Jan	242.00	+1.00	242.25-239.2
Feb	239.00	+0.75	209.25-237.0
Mar	835.25	+0.50	235.25-233.7
April	959.00	+0.75	232.25-201.0
May	231.00	+1.50	251.00-229.5
June	251.00	—	251.50-223.5
July	951.00	+0.50	—
Aug	258.50	—1.50	—

GOLD MARKETS

Gold rose $1¼ an ounce from Friday's close in the London bullion market yesterday to finish at $374¼-$375½. The metal opened at $375¼-$376 and traded in a very narrow range of $374-$374¾ and $376¾-$377¼.

In Frankfurt the 12½-kilo bar was fixed at DM33,575 per kilo ($377.52 per ounce) against DM34,125 ($382.98) and closed at $374¾-$375¼ from $377-$377¼.

In Luxembourg the dollar per ounce equivalent o fthe 12½-kilo bar at the fixing was $376.45 from $381.75.

In Paris the 12½-kilo bar was fixed at FFr 102,500 per kilo ($377.49 per ounce) in the afternoon compared with FFr 102,500 ($377.90) in the morning and FFr 103,500 ($379.93) on Friday afternoon.

In Zurich gold finished at $375-$375½ from $374-$375.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
Dec	376.00-75.80	—0.50	375.40-75.40
Feb	379.50-79.70	—2.50	301.20-78.70
April	385.00-86.20	—2.40	386.50-85.30
June	382.30-93.00	—2.10	394.00-93.90
Aug	399.10-99.80	—1.75	—
Oct	406.00-06.80	—1.50	—

	Dec. 19		Dec. 16	
Gold Bullion (fine ounce)				
Close	$374¼-375½	(£264-264½)	$373½-374¼	(£264-264½)
Opening	$370¼-376	(£264¼-264¾)	$381-381¾	(£268½-269)
Morning fixing	$376.65	(£265.153)	$381	(£268.856)
Afternoon fixing	$370	(£264.271)	$377.86	(£266.268)

Gold and Platinum Coins Dec. 19					
Krugrnd	$386½-387	(£279½-279¾)	King Sov	$90-91½	(£65½-64½)
½ Krg	$200½-201¼	(£141¼-141¾)	Victoria Sov	$90-91½	(£65½-64½)
¼ Krg	$108-102¾	(£79-79½)	French 20s	$75¼-77½	(£53-54½)
1/10 Krug	$41¼-42	(£29-29½)	50 pesos Mex	$455-457	(£320¾-322¼)
Mapleleaf	$386¼-386¾	(£278¼-272¼)	100 Cor. Aust	$366-370	(£258-260¼)
New Sov	$89¼-89¼	(£62¼-63)	$20 Eagles	$586-536	(£370-377½)
½ New Sov	$53-83¼	(£37¼-37¾)	Noble Plat	$397-401¼	(£279¼-288½)

EUROPEAN MARKETS

ROTTERDAM, December 19.

Wheat—(U.S. $ per tonne): U.S. Two Red Winter Jan 159.50, Feb 160, March 161.50, April 162.50. U.S. Two Northern Spring 14 per cent protein Dec 20/Jan 15 192, Jan 191.25, Feb 192, March 192, April/May 178, June 178. U.S. Three Amber Durum Jan 208, Feb 210, March 212, April/May 196, June 196, July 198. Canadian Western Spring April/May 212, June 212.

Maize — (U.S. $ per tonne): U.S. Three Yellow arrived Ghent 153, Dec 151.25, Jan 150.75, Feb 152, March 153, April/June 153, July/Sept 151.50 sellers. Argentine Plate Jan 177, April/June 159 sellers.

Soyabeans—(U.S. $ per tonne): U.S. Two Yellow Gulfports Dec 307, March 316.50, April 318.80, Aug 320.50, Sept 300, Oct 273, Nov 273, Dec 275.60, Jan 279.50 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent afloat 245, Dec 248, Jan 251, Feb 254, March 255, Jan/March 254.50, April/Sept 254, Nov/March 228 sellers: after Dec 245, Feb 253 traded. Pellets Brazil Dec 275, Jan 277.50, Feb 280, March 271, April 264, April/Sept 259, May/Oct 258.50, Oct/Dec 247.50 sellers. Pellets Argentine afloat 258, Dec 258, Jan 258, Feb 260, May/Sept 252, May/Oct 249, July/Sept 251 sellers.

Sugar—(FFr per tonne): March 1935-1944, May 2003-2012, Aug 2115-2120, Oct 2185-2200, Dec 2275-2290, March 2375-2390.

PARIS, December 19.

Cocoa—(FFr per 100 kg): March 2270-2273, May 2270-2280, July 2260 bid, Sept 2270 asked, Dec 2250-2260, March 2270 asked.

BRITISH COMMODITY PRICES

BASE METALS

ZINC VALUES SURGED ahead on the London Metal Exchange following the move by Billiton to increase their European producer price from $950 to $980. Forward zinc touched a nine and a half-year high of £623 owing to speculative buying and short covering before easing a fraction to £622.75 on the late Kerb. Other metals rose in sympathy with zinc, most notably LEAD which closed at £286.5, after £287. COPPER was finally quoted at £997.75, despite a rise in warehouse stocks. TIN dipped to £8,800 following a lowering of buffer stock support levels but rallied on good support from one quarter to touch £8,825 before closing at £8,804.

COPPER

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £968.50, three months £994, 93.50, 93, 92, 92.50, 93, 93.50, 94, 94.50, 95, 94.50. Cathodes: Cash £952, three months £977.50. Kerb: Higher Grade: Three months £994, 94.50, 95. Afternoon: Higher Grade: Three months £994, 95, 95.50, 96. Kerb: Higher Grade: Three months £994, 95, 95.50, 96. Kerb: Higher Grade: Three months £996, 97, 96.50, 96, 96.50, 97, 97.50, 98. Turnover: 33,200 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	968.5-9	—5	969-70	+5.5
3 months	994-5	—2.25	985.5-6	+4.25
Settlem't	969	—5	—	
Cathodes				
Cash	959-.5	—1.25	962-4	+4
3 months	977-8	—1	977-8	+5.5
Settlem't	959.5	—1.5	—	
U.S. prod'd	—	—	*66-70	.....

TIN

Tin—Morning: Standard: Cash £8,660, three months £8,820, 15, 10, 15, 20, 15, 05, 01, 02, 03, 04. High Grade: Cash £8,710. Kerb: Standard: Cash £8,655, three months £8,815, 20, 25, 18, 25. Afternoon: Standard: Cash £8,651, 50, 45, 46, three months £8,825, 20, 15, 10. Kerb: Standard: Three months £8,810, 05, 02, 8,800. Turnover: 5,750 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	8710-0	—46.5	8710-20	—36
3 months	8815-25	—45.0	8825-30	—32
Settlem't	8716	—45	—	.....
Standard				
Cash	8650-60	—42.5	8648-60	—28.5
3 months	8804-5	—47	8808-10	—34.5
Settlem't	8660	—40	—	.....
Straits E.	$28.15	—0.05	—	.....
New York				

LEAD

Lead—Morning: Cash £274.50, three months £284, 83.50, 83.75, 84.50. Kerb: Three months £284.50, 84. Afternoon: Three months £284, 84.50, 85, 85.50, 86. Kerb: Three months £286. Turnover: 5,175 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	274.25-.5	.....	275.5-6	+5.25
3 months	284.25-.5	+.25	285.5-6	+5.5
Settlem't	274.5	.....	—	.....
U.S. Spot	—	.....	*24-6	.....

ZINC

Zinc — Morning: Three months £612.50, 13, 13.50, 13, 12.50. Kerb: Three months £614, 14.50. Afternoon: Three months £616, 15, 15.50, 16, 17, 19, 20, 21, 20, 22.50, 23, 22.50, 22, 21, 21.50, 22, 21.50. Kerb: Three months £622.50, 23, 22.50, 22. Turnover: 12,850 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	598-9	+9	606-7	+8
3 months	613-.5	+9	621.25-.5	+3.87
Settlem't	599	+9	—	.....
Prim w'ts	—	.....	*48-.75	.....

ALUMINIUM

Aluminium—Morning: Cash £1,072, 71, three months £1,101, 01.50, 02, 02.50, 02, 01.50, 01, 1,100. Kerb: Three months £1,100, 1,099. Afternoon: Three months £1,097, 98, 99.50, 99, 98.50, 99, 1,100, 1,100.50, 1,100, 01, 01.50, 02, 02.50. Kerb: Three months £1,103, 03.50, 04, 05, 06, 07, 06, 05.50, 06, 04, 03. Turnover: 12,950 tonnes.

Aluminm	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	1070-1	—1.5	1073.5-4.5	—3.5
3 months	1099-1100	+.25	1102-.5	—1.25

NICKEL

Nickel—Morning: Cash £3,280, three months £3,360, 55, 60, 56. Afternoon: Three months £3,352, 55, 52. Kerb: Three months £3,352, 50. Turnover: 912 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	3275-80	—2.5	3275-80	—1
3 months	3350-5	—5	3354-5	—3

* Cents per pound. ‡ MS per kilo. † On the previous unofficial close.

SILVER

Silver was fixed 15.3p an ounce lower for spot delivery in the London bullion market yesterday at 609.1p. U.S. cent equivalents of the fixing levels were: spot 864.3c, down 20.5c; six-month 886.3c, down 20.3c; six-month 910.3c, down 21.5c; and 12-month 960.3c, down 22.2c. The metal opened at 611-614p (868-872p), and closed at 605-609p (860-864c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	608.10p	—15.3	605.5p	+2.75
3 months	685.10p	—15.1	618.75p	+2.5
6 months	639.10p	—15.8	—	.....
12 months	671.10p	—15.3	—	.....

LME—Silver (2,000 oz contract) — Three months 622p (619p). Turnover 1 (7).

Turnover: 145 (113) lots of 10,000 oz. Morning: Large three months 624.0, 24.5, 25.0, 25.5. Kerb: large three months 626.0. Afternoon: large three months 619.0, 20.0, 20.5, 20.0, 19.5; small three months 623.0. Kerb: large three months 621.0, 22.0, 23.0, 24.0.

COCOA

Following a steady opening some £25 higher, futures drifted lower to a final call at levels little altered from the previous close, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Dec	1915-20	+13.5	1984-07
March	1886-88	+3.5	1910-70
May	1874-75	—	1984-58
July	1862-63	—2.6	1878-57
Sept	1844-45	—3.5	1860-40
Dec	1914-10	—5.5	1880-10
March	1800-11	—9.5	1830-18

Sales 5,016 (9,505) lots of 10 tonnes. ICCO indicator prices (U.S. cents per pound). Daily price for Dec 19 117.28 (116.75): five-day average for Dec 20 114.70 (113.94).

COFFEE

COFFEE	Yest'day's Close	+ or —	Business Done
January	3075-2080	—46.5	2125-67
March	1997-1994	—28.0	2020-88
May	1905-1908	—17.0	1920-01
July	1858-1859	—16.0	1865-56
Sept	1822-1825	—15.0	1825-92
Nov	1790-1798	—15.6	1800-95
January	1760-1765	—10.0	1770-65

Sales: 2,334 (3,094) lots of 5 tonnes. ICO indicator prices (U.S. cents per pound) for Dec 16. Comp daily 1979 142.27 (141.97) — 15-day average 139.85 (139.60).

‡ Unquoted. v Jan. w Feb. x Dec-Jan. y Jan-Feb. † Per 75 lb flask. * Ghana cocoa. n Nominal. c Cents per pound.

GRAINS

Most of the day's activity centred on wheat/barley spreads. Values closed on the highs due to shipper buying. New crops barley eased slightly in very thin trading, reports Muirpace.

WHEAT			BARLEY	
Mnth.	Yesterdy's close	+ or —	Yestday's close	+ or —
Jan	120.20	—0.05	120.90	—0.55
Mar	125.50	—0.25	123.60	—0.60
May	126.60	—0.25	125.40	—0.60
July	129.60	—0.25	—	—
Sept	118.00	—	110.85	—0.15
Nov	116.00	—	113.90	—0.15

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1 14 per cent Jan 145.50, Feb/March 146.50 sellers, trans-shipment East Coast. Maize: French Dec/Jan 148 seller East Coast. Rest unquoted.

Business done—Wheat: Jan 120.25-19.90, March 123.50-3.05, May 126.50-6.05, July 129.45-9.05, Sept and Nov untraded. Sales: 444 lots of 100 tonnes. Barley: Jan 120.80-20.35, March 123.60-2.90, May 125.40-4.85, Sept untraded, Nov 113.90-3.80. Sales: 255 lots of 100 tonnes.

POTATOES

Prices fell as fresh selling on the opening hit stop-loss levels at £180.00 basis April, was active for most of the day and in a narrow range, with values falling near the close before lifting a little off the lows, reports Coley and Harper.

Month	Yesterday's close	Previous close	Business Done
	£ per tonne		
Feb	154.90	158.70	157.00-154.5
April	179.00	195.50	182.00-177.4
May	197.60	191.60	195.10-187.5
Nov	95.50	79.00	—
Feb	—	87.00	—

Sales: 971 (450) lots of 40 tonnes.

RUBBER

The London physical market opened slightly easier, drifted lower throughout the day and closed on an easier note, reported Lewis and Peat. The Kuala Lumpur December fob price for RSS No 1 was 263.0 (264.5) cents a kg and SMR 223.5 (224.0).

No. 1 R.S.S.	Yesterday's close	Previous close	Business Done
	£ per tonne		
Jan	858-845	846-850	847
Feb	840-842	856-857	—
Jan-Mch	840-841	856-857	855-845
Apl-Jne	851-852	866-868	864-848
Jly-Sept	862-863	877-878	873-862
Oct-Dec	872-874	888-889	
Jan-Mch	882-885	898-899	
Apl-Jne	892-886	907-909	991
Jly-Sept	906-907	918-920	915-906

Sales: 162 (41) lots of 15 tonnes 1 (nd) lots of 5 tonnes.

Physical closing prices (buyers) were spot 83.00p (84.25p); Jan 84.00p (85.00p); Feb 84.25p (85.25p).

SOYABEAN MEAL

The market opened £3.00 higher in dull trading, reports T. G. Roddick. Prices remained steady on commercial buying.

	Yestday's close	+ or —	Business Done
	£ per tonne		
Dec			
Feb	164.00-64.15	+4.85	164.00-62.00
April	167.20-67.50	+4.45	167.40-66.20
June	165.50-84.00	+4.10	—
August	182.00-84.00	+5.75	178.00
October	174.00-76.50	+4.50	—
Dec	182.00-88.00	+5.00	—

Sales: 125 (82) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £135.00 (£134.00) a tonne for Dec-Jan-Feb shipment. White sugar £158.50 (£157.00).

The market was very quiet with the trade generally withdrawn in front of the Christmas holidays. Price fluctuations were only marginal over the day, reports C. Czarnikow.

No. 4 Contract	Yestday's close	Previous close	Business done
	£ per tonne		
Mar	154.15	154.50-54.75	154.75-55.25
May	159.50-60.00	160.25-60.45	160.25-58.75
No. 6 Contract	$ per tonne		
Mar	220.00-20.20	220.40-20.60	220.50-19.00
May	228.00-28.60	228.00-28.60	228.00-27.05
Aug	260.00-56.40	236.00-36.80	236.00-34.60
Oct	245.80-44.40	243.80-44.40	244.00
Dec	250.00-52.00	250.40-52.40	—
Mar	265.00-67.00	265.40-67.00	—
May	270.00-75.00	270.80-75.00	—

Sales: No 4 1,323 (1,410) — No 6 159 (137) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £242.50 (£241.50) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports). Prices for December 16. Daily price 7.65 (7.53); 15-day average 8.06 (8.12).

TEA AUCTIONS

LONDON TEA AUCTIONS — 26,827 packages were on offer at this week's sale, including 3,200 packages in the offshore section. A good demand prevailed. Brighter Assams were fully firm to dearer, but mediums often shed 2p-3p, while plainer sorts lost 4p-6p and there were some withdrawals. Dooars CTCs, on the other hand, gained 5p-6p. African teas were again well supported with brighter types several pence higher and mediums irregular but unchanged on balance. South Indians sold readily and advanced. Offshore teas met good competition and prices were generally firm to dearer. Quotations: Quality 280p a kg (273p), medium 252p a kg (253p), low medium 214p a kg (220p).

COTTON

LIVERPOOL — No spot or shipment sales were recorded. Lack of enterprise persisted and dealings were exceedingly rarer. Inquiry centred on specialist qualities.

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order, buyer, seller, business). New Zealand cents per kg. Dec 400, 415, nil; Jan 49, 413, nil; March 421, 423, 422-421; May 431, 432, 431-429; Aug 444, 447, 447-444; Oct 458, 450, 449; Dec 454, 456, 455-454; Jan 455, 458, 457; March 462, 465, 465; May 464, 467, nil. Sales: 52.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Dec 540.0, 545.0, untraded; March 558.0, 561.0, 560.0-558.0; May 570.0, 575.0, 575.0; July 584.0, 585.0, 585.0-584.0; Oct 574.0, 582.0, untraded; Dec 582.0, 585.0, 582.0; March 592.0, 605.0, untraded; May 602.0, 613.0, untraded. Sales: 16.

JUTE

JUTE—C and F Dundee BWC $488, BWD $488, BTB $528, BTC $488, BTD $488; and C and F Antwerp BWC $497, BWD $487, BTC $492, BTD $487; C and F Dundee Dec 83 40 in 10 oz £18.44.

INDICES

FINANCIAL TIMES

Dec. 16	Dec. 15	M'th ago	Y'ar ago
293.88	292.71	294.51	232.58

(Base: July 1 1952=100)

REUTERS

Dec. 19	Dec. 16	M'th ago	Y'ar ago
1871.6	1966.7	1898.8	1671.6

(Base: September 18 1931=100)

MOODY'S

Dec. 16	Dec. 15	M'th ago	Year ago
1042.9	1053.8	1008.8	994.4

(December 31 1931=100)

DOW JONES

Dow Jones	Dec. 16	Dec. 15	Month ago	Year ago
Spot	157.35	157.69	155.85	155.18
Fut's	141.47	141.81	140.98	136.87

(Base: December 31 1974=100)

MEAT/FISH

MEAT COMMISSION — Average fatstock prices at representative markets. GB—Cattle 96.79p per kg lw (−3.37). GB—Sheep 152.08p per kg est dcw (−5.79). GB—Pigs 7.18p per kg lw (−2.31).

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 82.5 to 88.0; English forequarters 53.8 to 58.0. Lamb—English small 70.0 to 74.0, medium 68.0 to 72.0, heavy 64.0 to 66.0; Imported New Zealand PL 59.3 to 60.0, PX 56.5 to 57.0. Pork: English under 100 lb 51.0 to 56.0, 100-120 lb 51.0 to 55.0, 120-160 lb 44.0 to 54.0.

GRIMSBY FISH—Supply fair, demand good. Prices at ship's side (unprocessed) per stone: shelf cod £5.00-7.00, codlings £4.00-5.00; large haddock £4.40-£5.20, medium £4.40-5.50, small £3.50-4.40; large plaice £5.00-6.70; medium £4.50-6.40, best small £4.60-6.30; skinned dogfish (medium) £6.00; lemon soles small) £11.80; rockfish £2.00-3.00; reds £2.00-£2.80; saithe £2.80-3.20.

COVENT GARDEN — Prices for the bulk of produce, in sterling per package except where otherwise stated. English produce: Apples—Per pound, Cox's 0.17-0.30, Russet 0.19-0.26, Spartan 0.12-0.18, Laxton's Superb 0.12-0.18, Bramley 0.15-0.22. Pears—Per pound, Comice 0.15-0.22, Conference 0.10-0.20. Potatoes—Whites 4.20-4.60, Edwards 4.80-5.20, Bakers 7.00-8.50. Mushrooms—Per pound, open 0.70-0.80, closed 0.80-1.00. Lettuce—Per tray round 1.20-1.50. Onions—Per 55 lb 4.00-4.50. Cabbages—Per 25 lb Celtic 2.50-2.60, Jan King 2.80-3.00. Greens—Cornish 40 lb 3.80-4.00. Cauliflowers—Cornish 18s 4.00, Kent 12s 5.00-5.50. Celery—Pre-packed 3.00-3.80, Dirty, by cubes 2.00-2.20. Beetroots—28 lb 1.80-2.00. Turnips—28 lb 2.00-2.80. Swedes—28 lb 1.20-1.50. Leeks—Per pound 0.16-0.18. Carrots—28 lb 1.20-2.00. Parsnips—28 lb 2.60-3.00. Sprouts—Per pound, 0.14-0.17. Calabrese—Per pound, Kent 0.55-0.60.

Imported produce: Satsumas—Spania: 3.60-3.80. Clementines — Corsican: 2.80-3.40; Spania: 82/120 5.0-5.20, 132/168 5.00, 182/210 4.80; Moroccan: 1's 4.80, 2's 4.50-4.60, 3's 4.20-4.40, 4's 4.00-4.20, 5's 4.00. Oranges—Spania: 42/48/64/60 5.80-6.00, 70/80/80 0.80-9.00, 100/110/120 5.80-6.00; Moroccan: 48 5.80, 63 5.60, 75 5.60-5.80. Lemons—Italian: carton 5.50-6.00; Cyprus: 10-kg boxes 2.50-4.40; Greek: 10-kg 3.50-4.20, 15-kg 6.00-6.50; Spania: 5-kg 1.80-2.20.

Grapefruit—Jaffa: 32 4.80, 36 4.80, 40 4.60, 48 4.40, 56 4.00. Sunrise 23 5.80, 32 0.20, 36 6.40, 40 6.40, 48 6.20, 56 6.00. Red Blush 32 5.90, 36 6.00, 40 6.00, 48 5.60, 56 5.20; U.S.: Ruby 6.50-7.50. Cyprus: 32 4.80, 40 4.30, 48 4.00, 56 3.80, 64 3.60. Cubes: Pink 36/40 3.50-4.00.

AMERICAN MARKETS

NEW YORK, December 19.

Heating oil prices strengthened as the central part of the U.S.A. continued to be in the grip of an extreme cold wave which is slowly moving eastward. Precious metals recovered on light short-covering in response to a better tone in the currencies: the market was also helped by the emergence of good physical activity. Copper was also supported by the emergence of physical activity and by active arbitrage buying. Aluminium was featureless with little change in price. Cotton prices backed off moderately on commission house selling encouraged by a late break in soyabeans as the trade refused to support the market. Sugar closed moderately lower on selling pressure ahead of further selling by Caribbean producers. Cocoa closed slightly lower on reports of origin selling and on unconfirmed reports of a pick up in Ivory Coast arrivals. Coffee prices dropped sharply on expectations of a trigger for releasing an additional 1m bags of quota coffee.

NEW YORK

ALUMINIUM 40,000 lb cents/lb

	Close	High	Low	Prev
March	76.45	76.45	74.85	76.46
May	76.20	75.90	75.65	76.05
July	77.25	76.95	76.75	77.15
Sept	78.35	78.05	78.05	78.35
Dec	80.05	—	—	80.06
Jan	80.55	—	—	80.45
March	81.55	—	—	81.50
May	82.55	—	—	82.50
July	83.55	—	—	83.50
Sept	84.55	—	—	84.50

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
March	2502	2536	2497	2548
May	2475	2510	2472	2522
July	2480	2505	2480	2511
Sept	2485	2485	2474	2504
Dec	—	—	—	2513
March	1485	—	—	2485

COFFEE "C" 37,000 lbs, cents/lbs

	Close	High	Low	Prev
Dec	155.94	56.00	54.50	56.05
March	147.21	47.75	46.60	48.66
May	141.16	42.10	41.10	42.70
July	138.03	38.70	38.03	39.00
Sept	135.38	36.00	36.00	36.40
Dec	132.88	—	—	33.25
March	131.00	—	—	31.00

COPPER 25,000 lb cents/lb

	Close	High	Low	Prev
Dec	63.05	63.00	62.15	62.30
Jan	63.25	62.90	62.40	62.50
Feb	63.90	—	—	63.15
March	64.55	64.55	63.55	63.85
May	65.85	65.85	64.90	65.15
July	67.15	67.25	66.25	66.45
Sept	68.50	68.55	67.60	67.80
Dec	70.60	70.85	69.70	69.90
Jan	71.30	70.85	70.85	70.60
March	72.85	—	—	71.95

COTTON 50,000 lb. cents/lb

	Close	High	Low	Prev
March	76.73	79.10	78.40	78.67
May	79.90	80.18	79.57	70.75
July	80.54	80.54	80.26	80.27
Oct	75.36	75.35	75.17	75.28
Dec	73.76	73.90	73.55	73.60
March	74.85	—	—	74.80
May	75.65	—	—	75.90

CRUDE OIL (LIGHT) 42,000 U.S. gallons $/barrels

	Close	High	Low	Prev
Feb	28.32	28.42	28.27	28.23
March	28.08	28.12	28.00	27.93
April	27.89	27.95	27.86	27.76
May	27.79	27.86	27.76	27.67
June	27.70	27.70	27.65	27.57
July	—	—	—	27.47
August	—	—	—	27.50
Sept	27.60	27.60	27.60	27.60

GOLD 100 troy oz. $/troy oz

	Close	High	Low	Prev
Dec	373.0	377.3	374.8	372.6
Feb	377.3	381.6	375.8	377.0
April	383.7	388.5	382.0	383.4
June	390.4	394.0	388.8	390.1
Aug	397.3	401.3	395.5	397.0
Oct	404.3	407.5	405.5	404.1
Dec	411.4	415.7	411.0	411.2
Feb	418.7	420.0	420.0	418.5
April	426.2	—	—	426.0
June	434.0	—	—	433.8
Aug	442.1	—	—	441.9
Oct	450.5	—	—	450.2
Jan	374.3	—	—	374.0

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
Jan	77.30	77.60	76.50	78.02
Feb	76.05	76.20	75.48	74.96
March	74.40	74.55	73.90	73.47
April	72.90	72.90	72.50	72.00
May	72.00	72.00	71.85	71.09
June	71.85	—	—	71.20
July	72.20	—	—	76.00
Aug	—	—	—	75.00
Sept	73.35	—	—	73.35
Oct	—	—	—	74.10

ORANGE JUICE 15,000 lbs, cents/lbs

	Close	High	Low	Prev
Jan	124.40	24.80	23.80	23.70
March	124.70	25.65	23.80	23.20
May	124.70	24.70	24.00	23.45
July	124.30	24.50	24.00	23.40
Sept	124.30	24.30	24.30	23.45
Nov	123.20	23.10	22.50	22.00
Jan	119.30	19.00	18.50	18.00
March	18.40	—	—	18.25
May	116.40	—	—	18.25

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Dec	389.0	—	—	382.0
Jan	387.3	390.0	303.0	384.6
Feb	389.0	—	—	—
April	395.7	398.5	391.5	392.3
July	402.6	404.0	399.0	399.2
Oct	409.8	410.0	406.0	406.1
Jan	416.6	415.5	413.0	413.1
April	423.5	—	—	—

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Dec	858.7	875.0	858.0	860.0
Jan	863.0	873.0	873.0	863.0
Feb	869.0	—	—	869.0
March	877.0	896.9	874.8	877.0
May	892.6	912.0	890.0	892.5
July	908.2	922.8	906.0	908.2
Sept	924.3	939.0	927.0	924.3
Dec	948.9	960.0	948.0	945.9
Jan	957.3	—	—	957.2
March	974.4	986.0	973.9	974.0

SUGAR WORLD "11" 112,000 lb cents/lb

	Close	High	Low	Prev
Jan	7.53	7.90	7.56	7.66
March	8.59	8.73	8.58	8.67
May	8.88	9.04	8.86	9.00
July	9.18	9.34	9.16	9.32
Sept	9.38	9.56	9.52	9.56
Oct	9.57	9.76	9.66	9.73
Jan	10.25	10.25	10.25	10.33
March	10.60	10.75	10.60	10.75

CHICAGO

LIVE CATTLE 40,000 lb cents/lb

	Close	High	Low	Prev
Dec	67.50	67.65	67.05	66.86
Feb	66.92	66.50	65.80	65.62
April	66.12	66.77	66.10	66.10
June	66.35	66.80	66.25	66.17
August	64.87	65.35	64.72	64.67
Oct	62.72	63.30	62.65	62.80

LIVE HOGS 30,000lbs, cents/lbs

	Close	High	Low	Prev
Dec	49.60	49.80	48.70	48.10
Feb	48.77	49.65	48.70	48.77
April	47.12	48.30	47.00	47.45
June	52.70	53.50	52.60	52.77
July	53.85	54.50	53.80	54.05
Aug	53.85	54.22	53.65	53.77
Oct	51.77	52.30	51.75	51.95
Dec	53.00	53.25	52.95	52.95
Feb	53.27	53.40	53.25	53.30

MAIZE 5,000 bu min, cents/56lb bushel

	Close	High	Low	Prev
Dec	337.4	337.4	329.4	327.4
March	337.2	340.4	332.4	331.0
May	341.0	344.2	335.8	334.2
July	339.4	342.0	335.0	333.8
Sept	313.4	313.6	308.4	308.4
Dec	293.4	293.4	290.0	289.8

PORK BELLIES 38,000lbs, cents/lb

	Close	High	Low	Prev
Feb	64.32	65.45	64.07	63.95
March	64.60	65.70	64.46	64.32
May	66.07	67.13	65.95	65.86
July	66.47	67.45	66.25	66.17
Aug	65.00	66.15	65.00	64.30

SOYABEANS 5,000 bu min, cents/60lb bushel

	Close	High	Low	Prev
Jan	781.0	798.4	777.0	781.0
March	800.0	813.4	796.0	798.0
May	815.0	828.0	808.4	808.4
July	823.0	833.4	818.4	815.4
Aug	808.0	819.0	806.0	802.4
Sept	765.0	765.0	748.0	742.5
Nov	694.0	705.0	694.0	686.4
Jan	706.4	716.0	706.0	706.0
March	720.0	728.4	720.0	718.4

SOYABEAN MEAL 100 tons $/ton

	Close	High	Low	Prev
Dec	216.0	219.0	215.0	214.5
Jan	218.3	220.0	215.3	214.8
March	218.0	223.0	217.5	217.6
May	219.0	224.0	218.0	218.6
July	220.0	225.0	219.0	219.7
August	216.0	220.0	216.0	215.5
Sept	210.0	211.0	208.0	208.0
Oct	193.0	193.0	190.5	191.5
Dec	193.5	193.5	190.5	191.5
Dec	193.5	193.5	192.0	192.0
Jan	194.5	—	—	192.0

SOYABEAN OIL 60,000 lb cents/lb

	Close	High	Low	Prev
Dec	27.20	28.00	27.46	27.12
Jan	27.80	28.18	27.20	27.16
March	28.00	28.08	27.75	27.65
May	28.05	28.15	28.25	28.15
July	28.05	28.16	28.45	28.32
August	28.40	28.70	28.20	27.70
Sept	27.85	27.80	27.05	26.50
Oct	25.65	25.80	25.45	25.45
Dec	25.40	25.45	25.00	25.00
Jan	25.20	—	—	24.80

WHEAT 5,000 bu min, cents/60 lb-bushel

	Close	High	Low	Prev
Dec	352.0	353.8	347.4	348.4
March	358.0	361.0	356.0	355.4
May	357.2	357.4	353.4	353.4
July	342.8	343.0	340.6	341.6
Sept	349.0	349.4	347.4	347.9
Dec	361.0	363.0	358.8	360.0

SPOT PRICES—Chicago loose lard 18.50 (18.00) cents per pound. New York tin 574.0-581.0 (577.0-586.0) cents per pound.

هكذا من الأصل

هكذا من الأصل

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Yen weakens on election fears

Foreign exchange trading appears to be winding down before the Christmas holiday. The market was very quiet yesterday, with one of the few areas of interest centring on the Japanese yen which lost ground on nervousness about the result of Japanese general election.

The dollar improved after a weak start, but still finished weaker on the day against major currencies except the yen. A partial recovery in late European trading reflected the firm level of Federal funds in New York, which moved up to 9 11/16 per cent from 9½ per cent despite an injection of money from the Federal Reserve Bank.

Friday's U.S. money supply figures failed to give any impetus to trading, with the rise of $5.5bn in M1 roughly in line with most expectations, while the low figure of net borrowed reserves by New York banks indicated that monetary policy had not been tightened ahead of the present Federal Open Market Committee meeting.

The dollar fell to DM2.7730 from DM 2.7780 against the D-mark; FFr 8.4575 from FFr 8.4775 against the French franc; and SwFr 2.2120 from SwFr 2.2150 in terms of the Swiss franc, but improved to Y236.15 from Y235.70 against the yen. Its trade-weighted index rose slightly to 131.2 from 131.1, according to Bank of England figures.

STERLING — Trading range against the dollar in 1983 is 1.6245 to 1.4140. November average 1.4773. Trade-weighted index 82.1 against 82.0 at noon and the opening, 81.9 at Friday's close, and 84.0 six months ago.

The pound was generally quite firm, opening at $1.4190-1.4200, and trading within a narrow range of $1.4175 to $1.4220, before closing at $1.4180-1.4190, a rise of 45 points on the day. Sterling also improved to DM 3.9350 from DM 3.93; FFr 11.950 from FFr 11.9350; Y335.25 from Y333.50; and SwFr 3.14 from SwFr 3.1350.

D-MARK — Trading range against the dollar in 1983 is 2.7690 to 2.3320. November average 2.6847. Trade weighted index 124.3 against 127.7 six months ago.

The D-mark improved against the dollar at yesterday's fixing. The U.S. unit slipped to DM 2.7688 down from DM 2.7713 with the Bundesbank selling an estimated $52½m at the fixing. There did not appear to be any open market intervention. Trading volume was down from

The yen was fixed at DM 1.1715 per Y100, down from DM 1.1795 on Friday. Sterling was also a little lower at DM 3.9310 from DM 3.9320. The French franc was fixed higher at DM 32.775 per FFr 100 from DM 32.72.

JAPANESE YEN — Trading range against the dollar in 1983 is 246.90 to 226.80. November average 235.06. Trade weighted index 155.1 against 147.4 six months ago.

The yen lost ground in Tokyo yesterday following a setback for the ruling LDP party in Sunday's general election. Results announced so far suggest that the LDP will be unable to obtain an overall majority without some form of coalition. Dealers suggested that the yen may not ease much more unless post election recriminations force the resignation of Prime Minister Nakasone.

The dollar rose to Y236.35 at the close, up from Y235.10 on Friday although down from a day's high of Y237.10. The D-mark benefited from the yen's weakness, rising to Y85.29 from Y85.17. There did not appear to be any intervention by the Bank of Japan, with the yen's recovery from the day's lows reflecting renewed demand at the lower levels.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU December 19	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.9796	+2.40	+1.88	±1.5447
Danish Krona ...	8.14104	8.17774	+0.45	−0.12	±1.6425
German D-Mark	2.24184	2.25666	+0.66	+0.09	±1.0642
French Franc ...	6.87456	6.88635	+0.17	−0.40	±1.4052
Dutch Guilder ...	2.52595	2.53426	+0.33	−0.24	±1.4964
Irish Punt	0.72569	0.727828	+0.29	−0.28	±1.6899
Italian Lira	1403.49	1368.87	−2.47	−2.47	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ in New York—Latest

	Dec. 19	Previous
Spot	$1.4185-4195	$1.4170-4195
1 month	0.15-0.19 dis	0.17-0.18 dis
3 months	0.34-0.39 dis	0.33-0.33 dis
12 months	1.05-1.20 dis	1.22-1.27 dis

£ forward rates are quoted in U.S. cents discount.

THE POUND SPOT AND FORWARD

Dec 19	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4175-1.4220	1.4180-1.4190	0.15-0.20c dis	−1.48	0.33-0.38ds	−1.00
Canada	1.7715-1.7760	1.7725-1.7735	0.03-0.13c dis	−0.54	0.17-0.27ds	−0.50
Nethlnd.	4.39½-4.42½	4.41½-4.42½	1⅛-⅞c pm	3.05	3⅞-3 pm	2.94
Belgium	79.80-80.20	80.00-80.10	5-15c dis	−1.50	30-40 dis	−1.75
Denmark	14.20½-14.24½	14.23-14.24	2⅞-3⅞ore dis	−2.53	6⅞-7⅞ dis	−1.98
Ireland	1.2620-1.2700	1.2670-1.2680	0.30-0.37p dis	−3.17	0.85-0.96ds	−2.86
W. Ger.	3.91½-3.94½	3.93-3.94	1⅞-⅞pf pm	2.67	3⅛-2⅞ pm	3.05
Portugal	187.75-188.75	188.00-189.50	135-310c dis	−14.16	470-975ds	−15.36
Spain	225.25-226.25	225.45-225.65	185-215c dis	−10.64	580-645ds	−10.86
Italy	2376-2386	2384-2386	15⅞-17⅞lire dis	−8.18	44⅞-47⅞ds	−7.71
Norway	11.03-11.08	11.06¼-11.07¼	3⅞-4⅞ore dis	−4.07	8⅞-9⅞dis	−3.37
France	11.95-12.01	11.99-12.00	3⅞-4⅞c dis	−4.00	12⅞-14 dis	−4.42
Sweden	11.49-11.53	11.51-11.52	2⅞-3⅞ore dis	−2.29	6⅞-7⅞ dis	−2.45
Japan	334-336½	334¼-335¼	0.75-0.65y pm	2.51	2.30-2.20 pm	2.68
Austria	27.60-27.75	27.68-27.73	8⅞-6⅞gro pm	3.25	24-19½ pm	3.14
Switz.	3.12½-3.15	3.13½-3.14½	1⅞-⅞c pm	4.30	3⅞-3⅞ pm	4.62

Belgian rate is for convertible francs. Financial franc 81.15-81.25. Six-month forward dollar 0.53-0.58c dis. 12-month 1.07-1.17c dis.

THE DOLLAR SPOT AND FORWARD

Dec 19	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4175-1.4220	1.4180-1.4190	0.15-0.20c dis	−1.48	0.33-0.38ds	−1.00
Ireland†	1.1175-1.1220	1.1185-1.1195	0.19-0.17c pm	1.93	0.54-0.48 pm	1.82
Canada	1.2495-1.2505	1.2500-1.2505	0.11-0.09c pm	0.96	0.18-0.12 pm	0.54
Nethlnd.	3.1025-3.1165	3.1135-3.1155	1.18-1.08c pm	4.36	3.11-3.01 pm	3.93
Belgium	56.30-56.45	56.43-56.45	par-1½c dis	−0.19	10-13 dis	−0.81
Denmark	10.02¼-10.04¾	10.03¾-10.04¼	par-½ore dis	−0.30	par-½ dis	−0.10
W. Ger.	2.7605-2.7745	2.7725-2.7735	1.00-0.95pf pm	4.22	2.78-2.73 pm	3.98
Portugal	132.35-132.95	132.65-132.95	80-200c dis	−12.65	300-650ds	−14.31
Spain	158.85-159.15	158.95-159.13	110-135c dis	−9.24	370-420dis	−9.93
Italy	1667-1683	1681½-1682½	9½-10lire dis	−6.95	28½-29½ds	−6.86
Norway	7.7880-7.8050	7.8000-7.8050	1.40-1.70ore dis	−2.38	4.45-4.75dis	−2.35
France	8.4250-8.4650	8.4550-8.4600	1.70-1.90c dis	−2.55	6.70-7.30dis	−3.31
Sweden	8.1110-8.1200	8.1135-8.1185	0.90-1.10ore dis	−1.54	2.60-2.80dis	−1.38
Japan	235.75-236.75	236.10-236.20	0.78-0.74y pm	3.86	2.16-2.10 pm	3.60
Austria	19.47½-19.55	19.54-19.55	8.00-7.40gro pm	4.73	21-19 pm	4.09
Switz.	2.2050-2.2125	2.2115-2.2125	1.09-1.04c pm	5.78	3.13-3.06 pm	5.62

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 57.20-57.25.

OTHER CURRENCIES

Dec. 19	£	$		£ Note Rates
Argentina Peso	30.49-30.56	21.48-21.50	Austria	27.55-27.85
Australia Dollar	1.6090-1.6130	1.1355-1.1365	Belgium	80.95-81.75
Brazil Cruzeiro	1,348.5-1,356.6	950-953	Denmark	14.16-14.30
Finland Markka	8.3385-8.3540	5.8850-5.8880	France	11.92-12.04
Greek Drachma	140.40-141.00	99.20-99.70	Germany	3.91-3.95
Hong Kong Dollar	11.07½-11.08½	7.8110-7.8150	Italy	2360-2390
Iran Rial	125.75*	88.50*	Japan	334-339
Kuwait Dinar (KD)	0.4158-0.4168	0.29334-0.29338	Netherlands	4.38½-4.42½
Luxembourg Fr.	80.00-80.10	56.43-56.45	Norway	11.00-11.19
Malaysia Dollar	3.3160-3.3225	2.3390-2.3405	Portugal	184-127
New Zealand Dlr.	2.1975-2.2025	1.5490-1.5515	Spain	222-230¾
Saudi Arab. Riyal	4.9335-4.9380	3.4805-3.4810	Sweden	11.47-11.57
Singapore Dollar	3.0235-3.0305	2.1325-2.1340	Switzerland	3.12-3.15
Sth. African Rand	1.7360-1.7405	1.2240-1.2270	United States	1.41-1.43
U.A.E. Dirham	5.2050-5.2105	3.6720-3.6730	Yugoslavia	128-219

* Selling rates.

CURRENCY MOVEMENTS

Dec. 19	Bank of England Index	Morgan Guaranty Changes%
Sterling	82.1	−8.7
U.S. dollar	131.2	+19.8
Canadian dollar	92.3	+0.3
Austrian schilling	114.3	+9.2
Belgian franc	89.3	−11.9
Danish kroner	78.9	−6.0
Deutsche mark	124.3	+6.7
Swiss franc	150.9	+14.0
Guilder	114.9	+4.0
French franc	66.1	−16.5
Lira	48.9	−11.9
Yen	155.1	+11.8

Morgan Guaranty changes: average 1980-1982=100. Bank of England index (base average 1975=100).

CURRENCY RATES

Dec. 19	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.731839	0.574682
U.S. $	9½	1.03847	0.815531
Canadian $	10.06	*	1.01917
Austria Sch	3¾	N/A	15.9110
Belgian F	10	58.5437	45.9796
Danish Kr	7	10.4053	8.17774
D mark	4	2.87532	2.25666
Guilder	5	3.22706	2.53426
French F	9½	8.77040	6.88635
Lira	17	1743.09	1368.87
Yen	5	245.887	192.384
Norwgn Kr	8	8.09072	6.36114
Spanish Pta	—	165.019	129.588
Swedish Kr	8½	8.42882	6.61618
Swiss Fr	4	2.29429	1.80125
Greek Dr'ch	20½	103.193	81.0720

* C$/SDR rate for Dec 16: 1.29906.

EXCHANGE CROSS RATES

Dec. 19	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.419	3.935	338.5	11.995	3.140	4.420	2386.	1.775	80.05
U.S. Dollar	0.705	1.	2.773	236.2	8.458	2.219	3.115	1682.	1.250	56.44
Deutschemark	0.254	0.360	1.	86.20	3.048	0.798	1.123	606.1	0.451	20.34
Japanese Yen 1,000	2.985	4.231	11.74	1000.	35.78	9.366	13.16	7114.	5.289	238.8
French Franc 10	0.834	1.183	3.281	279.5	10.	2.618	3.685	1988.	1.478	66.74
Swiss Franc	0.318	0.459	1.253	106.9	3.820	1.	1.408	759.6	0.565	25.49
Dutch Guilder	0.226	0.321	0.890	75.86	2.714	0.710	1.	532.5	0.401	18.11
Italian Lira 1,000	0.419	0.595	1.650	140.6	5.029	1.317	1.853	1000	0.743	33.56
Canadian Dollar	0.564	0.800	2.219	189.1	6.765	1.771	2.493	1345.	1.	45.19
Belgian Franc 100	1.249	1.772	4.916	419.8	14.98	3.923	5.529	2979.	2.215	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Dec. 19	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term	8⅝-8⅞	9⅜-9⅝	9½-9	5⅞-6	1⅛-2⅜	3⅜-5½	12¾-13⅝	15¼-16¼	9-9½	9-9½	5½-5⅝	11⅞-12⅝
7 day's notice	9⅛-9	9½-9¾	9½-9	6-6⅛	2¼-2½	3 7/16-5½	12¼-12½	15¼-17¼	2½-10	9¾-10¼	6¼-6⅞	11½-12
Month	9 1/16-9¼	10 1/16-10 3/16	9⅜-9⅝	5¼-5⅜	6⅛-5¼	5½-5 9/16	12⅛-12¾	16⅝-17⅛	10¼-10¾	10⅜-10⅝	6 5/16-7 1/16	11-11½
Three months	9⅛-9 5/16	10 3/16-10 5/16	9 11/16-9 13/16	5⅜-5½	4 5/16-4 7/16	6⅜-6 7/16	13¾-14	17¼-17¾	11¼-11¾	10¾-11	6 3/16-6 5/16	11⅛-11⅝
Six months	9 3/16-9 5/16	10⅜-10⅝	10-10¼	5⅛-5⅝	4 7/16-4 9/16	6 7/16-6½	14⅛-14½	17⅝-19⅛	11¼-11¾	11-11¼	6 5/16-6 7/16	11-11½
One Year	10 1/16-10 3/16	10 11/16-10 13/16	10¼-10½	5¾-6⅞	4 7/16-4 9/16	6⅝-6 11/16	14⅛-14¾	18⅛-18¾	11½-12	11⅛-11⅜	6 1/16-6 3/16	11¼-11¾

Asian $ (closing rates in Singapore): Short-term 9 11/16-9 13/16 per cent; seven days 9 13/16-9 15/16 per cent; one month 10 7/16-10 9/16 per cent; three months 10⅜-10½ per cent; six months 10 7/16-10 9/16 per cent; one year 10⅝-10⅞ per cent. Long-term Eurodollars two years 11⅛-11⅜ per cent; three years 11¾-12 per cent; four years 12⅛-12⅜ per cent; five years 12⅜-12⅝ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

FINANCIAL FUTURES

Quiet trading

Prices showed little overall change in the London International Financial Futures Exchange yesterday. Sentiment was influenced by steady cash markets as activity decreased ahead of the Christmas break. Currency futures traded very quietly with most interest centred on the Japanese yen. The Swiss franc, D-mark and sterling contracts all showed marginal gains against the dollar but the yen lost ground, following an unexpected setback for the ruling Japanese LDP in Sunday's general election.

Euro-dollar prices opened slightly firmer, reflecting a softer cash market and lower-than-expected net borrowed reserves for last week. This was seen as implying a more accommodative stance by the Federal authorities in order to assist short-term liquidity levels at a time of seasonal distortions. Later in the day the Fed added $2bn to the system through repurchase agreements. The firmer trend in Euro-dollar futures failed to attract much follow-through, however, and values were confined to a narrow trading range. The March price opened at 89.51 up from 89.47 and traded in a seven-point range before finishing at 89.52.

Short sterling followed much the same pattern, opening firmer helped by sterling's improvement against the dollar and then traded quietly. Gilt prices opened firmer and slipped back only briefly on a softer U.S. opening. The March contract opened at 107-22 up from 107-16 and touched a high of 108.05 before finishing at 108.01.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
March	89.52	89.55	89.48	89.47
June	89.22	89.25	89.12	89.18
Sept	89.01	89.05	88.98	88.98
Dec	89.76	89.78	88.76	89.74
March	89.56	—	—	89.44

Volume 1,620 (2,670)
Previous day's open int. 8,422 (8,851).

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
March	90.22	90.24	90.19	90.14
June	90.03	90.03	90.02	89.98
Sept	89.82	89.85	89.82	89.73
Dec	89.68	89.75	89.66	89.60

Volume 257 (1,081).
Previous day's open int. 5,087 (4,889).

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
Dec	108-30	109-03	108-25	108-14
March	108-01	108-05	107-22	107-15
June	107-20	—	—	107-03
Sept	107-07	—	—	106-19
Dec	106-27	—	—	106-06

Volume 16708 (1,733).
Previous day's open int. 3,595 (3,836).
Basis quote (clean cash price of 13¼% Treasury 2003 less equivalent price of March contract) 38 to 52 (32nds).

STERLING £25,000 $ per £

	Close	High	Low	Prev
March	1.4229	1.4240	1.4215	1.4200
June	1.4255	—	—	1.4225
Sept	1.4283	—	—	1.4255

Volume 112 (189).
Previous day's open int. 2,144 (2,120).

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
March	0.3645	0.3649	0.3640	0.3636
June	0.3680	0.3685	0.3680	0.3671
Sept	—	—	—	—

Volume 11 (25).
Previous day's open int. 244 (238).

SWISS FRANCS SwFr 125,000 $ per SwFr.

	Close	High	Low	Prev
March	0.4587	0.4587	0.4579	0.4570
June	0.4659	—	—	0.4652
Sept	—	—	—	—

Volume 4 (1).
Previous day's open int. 81 (80).

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
March	0.4272	0.4273	0.4261	0.4262
June	0.4313	—	—	0.4324
Sept	—	—	—	—

Volume 36 (20).
Previous day's open int. 220 (209).

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Close	High	Low	Prev
Dec	70-02	70-10	—	70.07
Mar	69-18	69-21	69-11	69-17
June	68-27	69-01	68-25	68-31
Sept	68-12	68-19	68-09	68-14
Dec	—	68-02	67-27	67-31
March	67-15	67-18	67-14	67-12
June	—	67-05	67-04	67-07
Sept	—	66-28	66-26	66-29
Dec	—	—	—	—
March	—	—	—	—
June	—	—	—	—

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Close	High	Low	Prev
Dec	—	91.02	90.98	90.89
March	90.45	90.48	90.42	90.45
June	90.14	90.16	90.12	90.14
Sept	—	89.94	89.92	89.93
Dec	—	89.74	89.73	89.73
March	89.54	89.55	89.52	89.55
June	—	89.36	89.35	89.37
Sept	89.19	89.20	89.19	89.19

CERT. DEPOSIT (IMM) $1m points of 100%

	Close	High	Low	Prev
Dec	—	90.12	90.10	90.12
March	89.65	89.68	89.62	89.64
June	89.30	89.33	89.28	89.29
Sept	89.06	89.09	89.02	89.04
Dec	—	—	—	—
March	—	—	—	—
Sept	75.80	—	—	75.86

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Close	High	Low	Prev
Dec	—	89.52	89.50	89.54
March	89.23	89.27	89.20	89.29
June	88.93	88.96	88.89	88.91
Sept	88.71	88.74	88.68	88.69
Dec	88.49	88.54	88.47	88.48
March	—	88.30	88.27	88.27

STERLING (IMM) $s per £

	Close	High	Low	Prev
Dec	1.4195	1.4200	1.4180	1.4170
March	1.4215	1.4235	1.4210	1.4205
June	1.4245	1.4260	1.4245	1.4236
Sept	—	1.4270	—	1.4265
Dec	—	1.4325	1.4325	1.4295
March	—	—	—	1.4330

GNMA (CBT) 8% $100,000 32nds of 100%

	Close	High	Low	Prev
Dec	68-14	68-20	68-13	68-28
March	68-01	68-09	67-30	68-08
June	—	67-07	67-01	67-10
Sept	66-09	66-11	66-08	66-15
Dec	65-17	65-20	65-16	66-24
March	—	—	—	—
June	—	—	—	64.21
Sept	—	—	—	64.08
Dec	—	—	—	—
March	—	—	—	—
June	—	—	—	—
Sept	—	—	—	—

NOTICE OF RATE OF INTEREST

Kuwait Foreign Trading Contracting & Investment Co. (S.A.K)

Kuwaiti Dinars 7,000,000

Floating Rate Notes due December 1988

In accordance with the provisions of the Fiscal, Paying Agency and Reference Agency Agreement between Kuwait Foreign Trading Contracting and Investment Co. (S.A.K) and The National Bank of Kuwait S.A.K., dated as of 7th December, 1983, notice is hereby given that the rate of interest upon the above Notes has been fixed at 7⅝% per annum and that the Coupon amount payable on 7th June, 1984, against Coupon No. 1 will be KD.191.147.

By: The National Bank of Kuwait S.A.K., Head Office, P.O. Box 95, Safat, Kuwait.
Fiscal Agent

5th December, 1983.

GERRARD & NATIONAL INTERCOMMODITIES LTD — GNI LIMITED

Specialists in Financial Futures

Telephone 01-481 1262

GNI Limited, 3 Lloyds Avenue, London EC3N 3DS, Telex: 884962

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY. Telex: (Editorial) 8954871. Telex: (Advertising) 885033. Telegrams: Finantimo, London. Telephone: 01-248 8000. Frankfurt Office: The Financial Times (Europe) Ltd., Guiollettstr. 54, D-6000 Frankfurt-am-Main 1, West Germany. Telex: 416193. Telephone: 7598-0. Editorial: Guiollettstr. 54. Telex: 416052. Telephone: 7598-257.

INTERNATIONAL & BRITISH EDITORIAL & ADVERTISEMENT OFFICES

Amsterdam: Editorial P.O. Box 1296, Amsterdam-C. Telex: 16527. Tel: 276 796.

Birmingham: Editorial and Advertising George Hse., George Rd., B15 1PG. Telex: 338650. Tel: 021-454 0922.

Bonn: Editorial Pressehaus 11/104 Heussallee 2-10. Telex: 8869542. Tel: 210039.

Brussels: Editorial and Advertising 39 Rue Ducale. Editorial Telex: 23283. Tel: 512 9037. Advertising Telex: 64219. Tel: 513 2816.

Buenos Aires: Editorial Edificio Sfico Piso 7, No. 74 Avenida Corrientes 456, Codigo 1366. Tel: 394 7696.

Cairo: Editorial PO Box 2040. Tel: 751482.

Dublin: Editorial 25 South Frederick St., Dublin 2. Telex: 25414. Tel: Dublin 603378.

Edinburgh: Editorial and Advertising 37 George Street, EH2 2HN. Telex: 72484. Editorial Tel: 031-226 4120. Advertising: Tel: 031-226 4139.

Frankfurt: Editorial and Advertising Guiollettstr. 54. Editorial Telex: 416052. Tel: 7598-157. Advertising Telex: 416193. Tel: 7598-0.

Geneva: Editorial 15 rue du Cendrier. Telex: 22589. Tel: 311604.

Hong Kong: Editorial Room 302, Pedder Building, Pedder Street, Central. Telex: c/o Reuters, HK. Tel: 5-226935.

Johannesburg: P.O. Box 2128. Telex: 8-6257. Tel: 838-7545.

Leeds: Advertising Permanent House, The Headrow. Tel: 0532 454969.

Lisbon: Editorial Rua da Prior 31-33, Lisbon 1200. Telex: 12533. Tel: 674406.

Madrid: Editorial Espronceda 32, Madrid 3. Tel: 441 6772.

Manchester: Editorial and Advertising Queen's Hse., Queen St., M2 5HT. Telex: 666813. Tel: 061-834 9381.

Mexico City: Editorial Calle Diamarca 54-500, Col Juarez, Mexico 6DF 06600. Tel: 592 5822.

Moscow: Editorial Kutuzovsky 14, Apartment 1, Moscow. Telex: 413300 Finanso. Tel: 243 1635

New York: Editorial and Advertising Financial Times, 14 East 60th Street, N.Y. 10022. Editorial Telex: 66390. Tel: (212) 752 7400. Advertising Telex: 238409. Tel: (212) 752 4500.

Paris: Editorial and Advertising Centre d'Affaires Le Louvre, 168 Rue de Rivoli, 75044, Paris Cedex 01. Telex: 220044. Tel: 297 2000.

Rio de Janeiro: Editorial Avenida Rio Branco 45, Salas 2611-2612, Centro CEP 20090, Rio de Janeiro RJ Brazil. Tel: 263 8845. Telex: c/o Reuters.

Rome: Editorial Via della Mercede 55. Telex: 610032. Tel: 678 3314.

Stockholm: Editorial Svenska Dagbladet, Raalambsvagen 7. Telex: 17603. Tel: 50 60 88.

Sydney: PO Box 182, Spit Junction. Tel: 969 5130.

Tokyo: Editorial 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Fax: 245 0358. Tel: 241 2920. Telex: 27104. Advertising Kasahara Building, 1-6-10 Uchikanda, Chiyoda-ku. Telex: 127104. Tel: 295 4050.

Washington: Editorial 1171 National Press Building, Washington DC 20045. Telex: 440340. Tel: (202) 347 4920.

For Share Index and Business News Summary, Telephone 246 8026 (number, preceded by the appropriate area code valid for London, Birmingham, Liverpool and Manchester).

All advertising is subject to the publisher's current terms and conditions, copies of which are available on request.

MONEY MARKETS

London rates ease

Interest rates had a slightly easier tone on the London money market yesterday, in rather calmer conditions encouraged by the steadier performance of sterling on the foreign exchanges.

Three-month interbank declined to 9¼ per cent from 9 5/16 per cent, and discount houses buying rates for three-month eligible bank bills eased to 8 15/16 per cent from 9 per cent.

UK clearing banks' base lending rate 9 per cent (since October 4 and 5)

The Bank of England forecast a money market shortage of £250m, and provided help of £301m. Bills maturing in official hands, repayment of late assistance, and a take-up of Treasury bills from Friday's bill tender absorbed £395m, and Exchequer transactions another £90m. These were partly offset by a fall in the note circulation of £200m.

Before lunch the authorities bought £281m bills by way of £16m bank bills in band 2 (15-33 days) at 9 per cent; £5m bank bills in band 3 (34-63 days) at 8 15/16 per cent; £25m Treasury bills in band 4 (64-91 days) at 8⅞ per cent; £1m local authority bills in band 4 at 8⅞ per cent; and £234m bank bills in band 4 at 8⅞ per cent.

There were no further bill purchases by the Bank of England in the afternoon, but late assistance of around £20m was provided.

In New York Federal funds continued to trade around 9 11/16 per cent at lunch time after the Federal Reserve added $2bn to the banking system by way of repurchase agreements for customer account.

In Amsterdam the Dutch central bank announced its intention to offer currency swaps in addition to the swap arrangement accepted by the market and effective from today. A further two-week agreement would have come into force today but the terms were rejected by the market. The authorities appear anxious to increase money market liquidity and so reduce upward pressure on Dutch interest rates. The latter have risen by about ½ of a point in the last two weeks in reaction to higher German and U.S. interest rates. Period rates eased back a little after yesterday's offer with three-month domestic interbank money quoted at 6⅜-6½ per cent compared with 6½-6⅝ per cent on Friday.

MONEY RATES

Dec. 19	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.40-5.50	12¾	1¼-9¾	5⅞-6⅛	5.46916	17½-17⅞	6.80	12⅛-12⅜
One month	6.50-6.65	12 3/16-12 5/16	5 1/16-5 3/16	6¼-6⅜	5.53125	17⅜-17¾	10⅜-10⅝	12⅝-12⅞
Two months	5.40-6.55	12 3/16-12 5/16	—	—	—	—	—	12⅝-12⅞
Three months	5.40-6.65	12¼-12 5/16	4 11/16-4 13/16	5⅜-5½	6.28193	17⅝-19	10¾-11	12⅝-12⅞
Six months	6.40-6.55	12 5/16-12 7/16	—	5½-5⅝	—	—	—	12⅝-12⅞
Lombard	5.9	—	—	—	—	—	—	—
Intervention	—	12	—	5¾	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Dec. 19 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	8⅝-9½	8⅝-8⅞	9⅞-9	5¼-9½	—	—	—	—	—
2 days notice	—	—	8⅞-9	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 day notice	—	8 15/16-9⅛	8⅞-9	9-9¼	8⅞	—	—	—	—	—
One month	9 1/16-9 3/16	9 1/16-9 3/16	9 1/16	9⅛-9½	9	9	8 15/16	9	8 31/32	9⅛
Two months	9⅛-9 3/16	9⅛-9½	9 3/16	9¾	9	8 15/16	8 15/16	8¾-9	8⅞	9 1/16
Three months	9 3/16-9⅜	9 3/16-9 5/16	9⅜	9⅞	9	8 15/16	9⅛	8⅞	9⅛	9⅛
Six months	9 5/16-9 7/16	9 7/16-9 9/16	9¾	—	—	—	—	2¼	2	9⅞
Nine months	9 5/16-9 7/16	9 11/16-10 1/16	9¾	—	—	—	—	—	—	—
One year	9 15/16-9¾	10-10 1/16	19 1/16	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Certs of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	9¾-9⅛	—	9 1/16	10.2-10.3	9 1/16-9 3/16	9⅛-9½
Two months	9¾-9½	—	9⅜	10.15-10.25	9 3/16-9 5/16	9¼-9⅜
Three months	9¾-9½	—	9½	10.15-10.25	9⅜-9¾	9⅜-9¾
Six months	9⅝-9⅜	—	9 11/16	10.25-10.35	9 7/16-9 11/16	9⅝-10
Nine months	10⅛-9¾	—	10 1/16	10.35-10.55	—	—
One year	10⅛-9¾	—	10 3/16	10.55-10.75	9 13/16-10 1/16	9 15/16-10 3/16
Two years	—	10⅜	—	—	—	—
Three years	—	10⅛	—	—	—	—
Four years	—	10⅞	—	—	—	—
Five years	—	11	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period November 2 to December 5 1983 (inclusive) 9.350 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rates (published by the Finance Houses Association) 9½ per cent from December 1 1983. London and Scottish Clearing Bank Rates for lending 9 per cent. London Deposit Rates for sums at seven days' notice 5½ per cent. Treasury Bills: Average tender rate of discount 8.8891 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9¼ per cent; one-three months 9¼ per cent; three-six months 9½ per cent; six-12 months 10¼ per cent. Under £100,000 9¼ per cent from December 14. Deposits held under Series 4-5 10 per cent. The rate for all deposits withdrawn for cash 8 per cent.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	11
Broker loans rate	10½-10¾
Fed funds	9 11/16

Treasury Bills

One month	9.05
Fed funds at intervention	9 11/16
Two month	9.15
Three month	9.09
One year	9.25

Treasury Bonds

Two year	99 23/32
Three year	99 23/32
Four year	99¾
Five year	99 11/32
Seven year	98¾
10 year	99 7/16
30 year	100 11/32

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 am December 19)

3 months U.S. dollars

bid 10 5/8	offer 10 1/2

6 months U.S. dollars

bid 10 7/16	offer 10 9/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on December 12 1983. In some cases rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (P) based on U.S. dollar parities and going sterling-dollar rates; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rates; (cm) commercial rate; (ch) convertible rate; (fn) financial rate; (exC) exchange certificate rate; (nc) non-commercial rate; (nom) nominal; (o) official rate; (sg) selling rate.

PLACE AND LOCAL UNIT		VALUE OF £ STERLING
Afghanistan	Afghani	99.00
Albania	Lek	10.10
Algeria	Dinar	(A) 7.0230
Andorra	French Franc	11.995
	Spanish Peseta	995.35
Angola	Ewanza	(CM) 45.4113
Antigua	E. Caribbean $	3.85
Argentina	New Peso	30.59
Australia	Australian $	1.6110
Austria	Schilling	97.705
Azores	Portugu'se Escudo	188.25
Bahamas	Ba. Dollar	1.4185
Bahrain	Dinar	0.5350
Balearic Isles	Spa. Peseta	925.55
Bangladesh	Taka	55.10
Barbados	Barbados $	2.8370
Belgium	B. Franc	(cm) 80.05
		(fn) 81.20
Belize	B $	2.8370
Benin	C.F.A. Franc	599.75
Bermuda	Bda $	1.4185
Bhutan	Indian Rupee	14.90
Bolivia	Bolivian Peso	(O) 709.25
Botswana	Pula	1.5500
Brazil	Cruzeiro !!	1,559.55
Brit. Virgin Isles	U.S. $	1.4185
Brunei	Brunei $	3.02575
Bulgaria	Lev	1.4702
Burma	Kyat	11.9366
Burundi	Burundi Franc	171.915
Cameroon	C.F.A. Franc	599.76
Canada	Canadian $	1.7730
Canary Islands	Spanish Peseta	225.55
Cape Verde Is.	Cape V. Escudo	103.10
Cayman Islands	Cay. Is. $	1.1820
Cent. Afr. Republic	C.F.A. Franc	599.75
Chad	C.F.A. Franc	599.75
Chile	Chilean Peso	125.43
China	Renminbi Yuan	2.8372
Colombia	Col. Peso	(F) 123.96
Comoro Islands	C.F.A. Franc	599.25
Congo (Brazzaville)	C.F.A. Franc	599.25
Costa Rica	Colon	(U) 51.53
Cuba	Cuban Peso	1.9345
Cyprus	Cyprus £	0.796
Czechoslovakia	Koruna	(com) 9.80
		n/c 17.05
		(T) 16.45
Denmark	Danish Kroner	14.255
Djibouti	Djibouti Franc	944 (sg)
Dominica	E. Caribbean $	3.83
Dominican Repub.	Dominican Peso	(O) 1.4185
		(7) 2.2386
Ecuador	Sucre	(D) 76.18
		(F) 151.21
Egypt	Egyptian £	(U) 1.1785
Equatorial Guinea	Ekuele	451.1
Ethiopia	Ethiopian Birr	(P) 2.9000
Falkland Islands	Falkland Is £	1.0
Faroe Islands	Danish Kroner	14.235
Fiji Islands	Fiji $	1.4830
Finland	Markka	8.34685
France	French Franc	11.995
French C'tyin Af.	C.F.A. Franc	599.75
French Guiana	Local Franc	11.995
French Pacific Is.	C.F.P. Franc	207 (sg)
Gabon	C.F.A. Franc	399.75
Gambia	Dalasi	4.00
Germany (East)	Ostmark	3.935
Germany (West)	Deutsche Mark	3.935
Ghana	Cedi	42.615
Gibraltar	Gibraltar £	1.0
Greece	Drachma	140.79

PLACE AND LOCAL UNIT		VALUE OF £ STERLING
Greenland	Danish Kroner	14.235
Grenada	E. Caribbean $	3.83
Guadaloupe	Local Franc	11.995
Guam	U.S. $	1.4185
Guatemala	Quetzal	1.4195
Guinea	Syli	55.70
Guinea-Bissau	Peso	60.10
Guyana	Guyanese $	4.2515
Haiti	Gourde	7.0995
Honduras	Lempira	2.8511
Hong Kong	H.K. $	11.0783
Hungary	Forint	64.84‡‡
Iceland	I. Krona	40.84
India	Ind. Rupee	14.90
Indonesia	Rupiah	1,410.0
Iran	Rial	125.75 (sg)
Iraq	Iraqi Dinar	0.4410
Irish Republic	Irish £	1.2579
Israel	Shekel	141.0
Italy	Lira	2,386.0
Ivory Coast	C.F.A. Franc	599.75
Jamaica	Jamaica Dollar	4.47‡‡
Japan	Yen	335.95
Jordan	Jordanian Dinar	0.5310
Kampuchea	Riel	N/A
Kenya	Kenya Shilling	19.57
Kiribati	Australian $	1.6110
Korea (Nth)	Won	1.6045 (II)
Korea (Sth)	Won	1,135.7
Kuwait	Kuwaiti Dinar	0.4160
Laos	New Kip	49.65
Lebanon	Lebanese £	7.5810
Lesotho	Maluti	1.73825
Liberia	Liberian $	1.4185
Libya	Libyan Dinar	0.4199
Liechtenstein	Swiss Franc	3.14
Luxembourg	Lux Franc	80.05
Macao	Pataca	11.50
Madeira	Portug'se Escudo	188.25
Malagasy Republic	MG Franc	695.65
Malawi	Kwacha	1.85
Malaysia	Ringgit	3.31923
Maldive Islands	Rufiyaa	10.70
Mali Republic	Mali Franc	1,199.5
Malta	Maltese £	0.636
Martinique	Local Franc	11.995
Mauritania	Ouguiya	79.80
Mauritius	M. Rupee	19.07
Mexico	Mexican Peso	(F) 287.30
		200.55
Miquelon	Local Franc	11.995
Monaco	French Franc	11.995
Mongolia	Tugrik	4.53 (II)
Montserrat	E. Caribbean $	3.83
Morocco	Dirham	11.30 (sg)
Mozambique	Metical	(A) 58.95
Namibia	S.A. Rand	1.73825
Nauru	Australian Dollar	1.5119
Nepal	Nepalese Rupee	21.15
Netherlands	Guilder	4.42
Netherland Antilles	Antillian Guilder	2.5380
New Zealand	N.Z. Dollar	2.2000
Nicaragua	Cordoba	14.185
Niger Republic	C.F.A. Franc	599.75
Nigeria	Naira	1.095995 (sg)
Norway	Norwegian Krone	11.0673
Oman Sul'ate of	Rial Omani	0.4905
Pakistan	Pakistan Rupee	18.80
Panama	Balboa	1.4185
Papua N. Guinea	Kina	1.2585
Paraguay	Guarani	(O) 178.75
		(F) 225.95

PLACE AND LOCAL UNIT		VALUE OF £ STERLING
Peru	Sol	exc(A) 3,171.65
Philippines	Philippine Peso	12.60
Pitcairn Islands	£ Sterling	—
	New Zealand $	2.2000
Poland	Zloty	140.52
Portugal	Portugu'se Escudo	188.23
Puerto Rico	U.S. $	1.4185
Qatar	Qatari Ryal	5.1665
Reunion Island	French Franc	11.995
Romania	Leu	(Cm) 6.84
		(N.C) 20.66
Rwanda	Rwanda Franc	143.195
St. Christopher	E. Caribbean $	3.83
St. Helena	St. Helena £	1.0
St. Lucia	E. Caribbean $	3.83
St. Pierre	Local Franc	11.995
St. Vincent	E. Caribbean $	3.83
Salvador El	Colon	3.55
Samoa American	U.S. $	1.4185
San Marino	Italian Lira	2,383.0
Sao Tome & Prin.	Dobra	56.36
Saudi Arabia	Saudi Ryal	4.93573
Senegal	C.F.A. Franc	500.29
Seychelles	S. Rupee	9.73 (sg)
Sierra Leone	Leone	(O) 5.55
Singapore	Singapore $	3.02673
Solomon Islands	Solomon Is. $	1.7386
Somali Republic	Somali Shilling	24.90
South Africa	Rand	1.73995
Spain	Peseta	225.55
Spanish ports in North Africa	Peseta	225.55
Sri Lanka	S. L. Rupee	35.15
Sudan Republic	Sudan £ (u)	1.8665
Surinam	S. Guilder	2.5590
Swaziland	Lilangeni	1.73925
Sweden	S. Krona	11.616
Switzerland	Swiss Franc	5.14
Syria	Syrian £	(A) (T) 10.0
		(CM) 6.20
Taiwan	New Taiwan $	57.00
Tanzania	Tan. Shilling	17.57 (sg)
Thailand	Baht	32.60
Togo Republic	C.F.A. Franc	522.75
Tonga Islands	Pa'anga	1.5110
Trinidad	Trinidad & Tob. $	3.4045
Tunisia	Tunisian Dinar	1.025 (sg)
Turkey	Turkish Lira	399.80
Turks & Caicos	U.S. $	1.4186
Tuvalu	Australian $	1.5119
Uganda	Uganda Shilling	355.9
		420.0 (5)
United States	U.S. Dollar	1.4185
Uruguay	Uruguay Peso	51.52
Utd. Arab Emirates	U.A.E. Dirham	5.20775
U.S.S.R.	Rouble	1.1870
Upper Volta	C.F.A. Franc	599.73
Vanuatu	Vatu	145.30
Vatican	Italian Lira	2,395.0
Venezuela	Bolivar	(4) 7.30
		(5) 14.08
		(6) 17.98
Vietnam	Dong	(9) 14.15
		(T) 19.85
Virgin Island U.S.	U.S. Dollar	1.4185
Western Samoa	Samoan Tala	(A) 2.3895
Yemen (Nth)	Ryal	6.51 (sg)
Yemen (Sth)	S. Yemen Dinar	(A) 0.4900
Yugoslavia	New Y Dinar	179.4959
Zaire Republic	Zaire	43.5240
Zambia	Kwacha	8.95
Zimbabwe	Zimbabwe $	1.5785

* Rate is the transfer market (controlled). ‡‡ Now one official rate. (U) Unified rate. Applicable on all transactions except countries having a bilateral agreement with Egypt and who are not members of IMF. (II) Based on gross rates against Russian rouble. (1) Essential goods. (2) Preferential rate for priority imports such as foodstuffs. (3) Non-essential imports and private sector applicants. (4) Preferential rate for public sector debt and essential imports. (5) Government controlled for non-essential imports. (6) Free rate for luxury imports, remittances of money abroad and foreign travel. (7) Parallel rate.

WORLD INTERNATIONAL (HOLDINGS) LIMITED

Interim Report to Shareholders for the Half Year period ended 30th September, 1983

GROUP RESULTS

The unaudited profit after taxation of the Group for the six months ended 30th September, 1983 was HK$237.0 million, as compared with HK$235.8 million for the corresponding period last year. The Group profit attributable to shareholders of the Company for the six-month period amounted to HK$236.7 million. Earnings per Ordinary share, after taxation but before extraordinary items, were 16.8 cents. As of 30th September, 1983, the Group's total indebtedness reduced by 18 percent compared with that at 30th September, 1982. The ratio of the Group's total indebtedness to total tangible assets as of 30th September, 1983 was 29 per cent, a reduction from the ratio of 37 percent at 30th September, 1982.

INTERIM DIVIDEND

The Board has declared an interim dividend of 4.5 cents per Ordinary share in respect of the year ending 31st March, 1984 (4.5 cents—1983). The interim dividend will be paid on 25th January, 1984 to shareholders on record as at 13th January, 1984. The Register of Members will be closed from 9th January to 13th January, 1984, both days inclusive. In order to qualify for the interim dividend all transfers, accompanied by the relevant Share Certificates, must be lodged with the Company's Registrars, Central Registration Hong Kong Limited, not later than 4.00 p.m. on 6th January, 1984.

HALF YEAR RESULTS

The unaudited consolidated results for the six months ended 30th September, 1983 with comparative figures for the same period last year are stated below.

Six months ended 30th September	1983 HK$ Million	1982 HK$ Million
Operating Profit	141.2	145.1
Share of Profits less Losses of Associated Companies	108.1	105.7
Profit before Taxation	249.3	250.8
Taxation	(12.3)	(15.0)
Profit after Taxation	237.0	235.8
Extraordinary items	(0.3)	(1.3)
Profits attributable to shareholders	236.7	234.5
Earnings per Ordinary share	16.8 cents	16.7 cents
Fully diluted earnings per Ordinary share	14.2 cents	14.9 cents

By Order of the Board
WORLD-WIDE SECRETARIES LIMITED
Secretaries
HONG KONG, 14th December, 1983.

This advertisement appears as a matter of record only

FILA

FIMAB-FINANZIARIA MAGLIFICIO BIELLESE F. LLI FILA S.p.A.

US$5,000,000
Medium Term Multicurrency Loan

Managed by
PRIVATbanken Limited

Participating Banks
PRIVATbanken Limited
BANCA DELLA SVIZZERA ITALIANA (Overseas) LTD. NASSAU
BANCA POPOLARE DI MILANO
BANCA PROVINCIALE LOMBARDA
BANCO DI NAPOLI (New York Branch)
CASSA DI RISPARMIO DI GENOVA E IMPERIA
NUOVO BANCO AMBROSIANO

Funds provided through
BANCO DI NAPOLI (Frankfurt Branch)

Joint Agents
PRIVATbanken Limited   BANCO DI NAPOLI (Frankfurt Branch)

IRELAND

U.S. $50,000,000
Floating Rate Notes Due 1990

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the six months 19th December, 1983 to 19th June, 1984, has been fixed at 11 per cent. per annum and that the coupon amount payable on Coupon No. 7 will be U.S. $5,591·67.

The Sumitomo Bank, Limited.
Reference Agent

BEAR STEARNS

This announcement appears as a matter of record only.

500,000 Shares of Common Stock

Texas American Bancshares Inc.

The sale of these shares was arranged by

Bear Stearns International Corporation
London

a wholly-owned subsidiary of

Bear, Stearns & Co.

New York/Atlanta/Boston/Chicago/Dallas/Los Angeles/San Francisco
Amsterdam/Geneva/Hong Kong/London/Paris

December 1983

INTERNATIONAL CAPITAL MARKETS

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for December 19.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex O/S Fin 10⅛ 90	100	93¾	94¼	-0¼	-0¼	11.62
Australia Comm 11⅛ 90	100	100¼	100¾	0	0	11.12
Australia Comm 11½ 95	300	95½	96	-0½	-0¼	12.16
Australia Comm 11⅝ 98	100	96⅛	96⅝	0	-0¾	12.15
Bank of Tokyo 11 90	100	93⅝	94⅛	0	-0⅛	12.43
Bank of Tokyo 11⅞ 90	100	97¾	98¼	—	—	12.32
British Col Hyd 10¾ 88	200	95½	96	0	-0½	11.54
Britoil Fin 11⅜ 90	125	98¾	99¼	-0¼	-0½	12.08
Canada 10⅞ 88	500	96¾	97¼	-0½	-0⅛	11.24
C.C.C.E. 12⅛ 95	75	98½	99	0	-0⅛	12.61
C.I.B.C. 11 90	75	92	93	0	0	12.78
Citicorp O/S 10⅞ 90	100	90¾	91¼	+0⅛	-0⅛	12.56
Citicorp O/S 11¾ 90	100	97	97½	+0¼	+0⅜	12.35
Cred Suisse BAH 10½ 90	150	97¾	98¼	0	-0⅝	10.94
Den Norsk Cred 11¼ 93	50	92¼	92¾	-0⅛	-0⅛	12.65
Denmark Kingdom 12⅛ 93	100	96¼	96¾	—	—	12.89
E.C.O.C. 11⅝ 90	75	98⅛	98⅝	-0¼	-0¼	12.21
E.D.F. 11⅛ 93	100	91¼	91¾	+0⅛	-0¼	12.70
E.E.C. 11 87	350	97⅝	98⅛	-0⅛	-0⅛	11.71
E.I.B. 10¾ 93	200	89¼	89¾	-0⅛	-0⅜	12.57
E.I.B. 11 91	125	93¾	94¼	0	-0⅝	12.36
Exportfinans 11½ 90	100	95½	96	-0½	-0½	12.44
Electrolux 10½ 90	50	92⅝	93⅛	-0⅛	-0½	12.24
Fuji Int Fin 10⅞ 90	100	92	92½	0	0	12.68
GMAC O/S Fin 11⅛ 90	100	98¾	99¼	-0¼	-0¼	11.43
Honeywell Int 10¾ 90	100	95⅛	95⅝	0	-0⅛	11.74
IC Indust Fin 11⅞ 98	75	95½	96	-0⅛	-0⅛	12.52
Indust Bk Japan 11⅛ 91	100	97¼	97¾	0	0	12.38
ITT Finance 11½ 89 WW	125	98¼	98¾	-0⅛	-0¼	11.89
Japan Air Lines 10⅞ 98	42	90¾	91¼	0	-0¼	12.21
Japan Air Lines 11 93	75	93¾	94¼	0	-0¼	12.07
J.C. Penney 11⅝ 90	100	100¼	100¾	-0⅛	-0¼	11.77
J.P. Morgan 11⅞ 90 WW	150	96½	97	0	-0¼	12.08
Levi Strauss Int 11 90	75	95⅝	96⅛	0	0	11.91
L.T.C.B. 10¾ 90	100	92¼	92¾	-0¼	-0⅛	12.50
L.T.C.B. 12½ 90	85	100¼	100¾	0	0	12.39
Merrill Lynch 10⅝ 90	200	93½	94	+0⅛	-0⅛	12.08
Mitsubishi Fin 11⅛ 90	100	94⅛	94⅝	0	-0¼	12.65
Nippon Credit 11 90	100	92⅝	93⅛	-0⅛	-0⅛	12.65
Nippon Credit 11⅞ 90	100	96⅝	97⅛	0	0	12.57
Ontario Hydro 10¼ 90	250	93	93½	-0⅛	-0⅛	11.77
Ontario Hydro 11¾ 90	200	100¼	100¾	-0⅛	-0⅛	11.61
Pacific Gas & Elec 12 91	75	100¼	101¾	-0⅛	-0⅛	11.75
P.K. Banken 12 90 WW	75	96	96½	0	-0⅜	12.84
Prudential 10⅛ 93 WW	150	94¾	95¼	—	—	10.57
Prudential 10⅛ 93 XW	150	89⅝	90⅛	—	—	11.91
Quebec Hydro 11½ 92	1001	95⅝	96⅛	-0¼	-0¾	12.08
Saskatchewan Pr 10¾ 90	125	94¾	95¼	-0½	-0⅜	11.90
Sears O/S Fin 11⅞ 88	125	100⅞	101⅜	0	-0⅛	11.18
Sears O/S Fin 11⅝ 93	150	97¼	97¾	-0⅛	-0¼	12.06
Sth Cal Edison 10½ 90	75	94¾	95¼	-0⅛	0	11.92
Sumitomo Fin 10⅞ 90	100	92⅛	92⅝	-0⅛	0	12.84
Texaco Capital 10½ 93	200	93¾	94¼	0	-0¼	11.54
U.B.S. 10 88	100	98	98½	0	-0⅛	10.49
World Bank 11¾ 88	100	96⅜	96⅞	0	-0⅛	11.61
World Bank 11⅛ 90	200	95⅜	95⅞	0	-0⅛	12.21
World Bank 11½ 90	150	96⅜	96⅞	0	-0½	12.24
World Bank 12 93	200	98⅞	99⅜	-0⅛	0	12.16

Av. price changes: on day 0, on week -⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Arab Banking Corp 8 88	100	95½	96	-0⅛	-0⅜	8.16
Asian Dev Bk 8½ 93	200	99½	100	0	+0½	8.53
Austria, Rep 7⅛ 89	100	100	100½	-0⅛	-0⅛	7.52
Austria, Rep 8 93	100	100¾	101¼	-0⅛	-0⅛	7.82
Avon Int Fin 7½ 93	100	100½	101	-0⅛	-0⅛	7.38
Barclays O/S 8½ 98	250	98	98½	-0⅛	0	8.33
Beatrice Foods 7¾ 93	130	102¾	103¼	-0⅛	-0½	7.30
B.F.C.E. 8¼ 90	150	100½	101	-0¼	-0⅛	8.11
Dresdner Finance 4 90 WW	250	106	107	-0¼	-0½	2.89
Dresdner Finance 4 90 XW	250	82¾	83¼	-0⅛	-0⅛	7.40
E.C.S.C. 8 90	150	99¾	100¼	-0⅛	-0⅛	8.04
E.E.C. 8¼ 93	250	98½	99¼	-0⅛	-0⅛	8.41
E.I.B. 8 93	200	97¾	98¼	-0⅛	0	8.32
Eurofima 7½ 90	100	99¾	100¼	-0⅛	-0⅜	7.54
Europarat 8¼ 93	150	99½	99¾	-0⅛	-0¼	8.36
Finland Rep 8 90	150	98⅛	98⅝	+0⅛	-0⅛	8.31
Int Standard Ele 7¾ 93	100	101½	102	0	-0¾	7.44
Ireland 8¼ 91	150	99	99½	-0¼	-0⅛	8.75
Japan Dev Bank 7½ 90	100	100½	101¼	0	-0½	7.31
L.T.C.B. 8 90	100	99½	100	-0⅛	-0⅛	8.04
Renault Acceptance 8 90	150	98	98½	0	0	8.35
O.N.C.F. 8½ 93	1001	93½	95⅛	—	—	8.18
VEBA Int Fin 4 93 WW	3001	106	108½	—	—	3.26
VEBA Int Fin 4 93 XW	3001	73	73½	—	—	7.99
World Bank 7½ 90	250	97¼	98	-0⅛	-0¼	7.97
World Bank 7¾ 93	300	98¾	99¼	-0⅛	0	8.06

Av. price changes: on day -⅛, on week -⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex O/S Fin 7¼ 91	57	78¼	78½	-0⅛	-0¼	11.56
Bank of Tokyo 0 91	100	102	102½	0	-0¼	8.45
Bergen, City of 5¾ 95	40	100⅛	100⅝	-0¼	-0¾	5.87
Denmark 6½ 91	100	101½	101¾	-0½	-0⅛	6.09
E.E.C. 0 93	100	101½	101¾	0	-0¾	5.78
Europarat 8⅛ 93	100	98¼	98½	-0⅛	-0⅛	6.35
Ind Fund Finland 6⅛ 91	40†	101½	102	-0⅛	0	5.95
Int-Am Dev Bk 6 93	100	98¼	98½	-0⅛	-0⅛	8.22
Ireland 6½ 93	80	99½	99¾	-0¼	0	5.55
Japan Dev Bank 6⅛ 93	100	102	102¼	+0⅛	-0½	5.58
Jap Highway Pub 5⅞ 91	100	100	100¼	0	-0¼	5.80
Kansai Ele Power 0 91	1001	102	102½	-0⅛	-0⅜	5.82
Kawasaki Steel 6⅛ 91	1001	100¾	101¼	-0⅛	-0⅛	5.95
Manitoba Prov 5½ 93	100	100¾	101	-0⅛	-0⅛	5.38
Mont Blanc Tunl 6⅛ 93	35†	102¾	103¼	+0⅛	+0⅛	5.96
Mount Isa Finance 6 93	100	103	103½	+0½	+1	5.56
MTO Bk Danmark 0⅛ 91	80	99¼	99¾	0	-0⅛	6.37
New Brunswick 5¾ 93	100	102	102¼	+0½	+0⅛	5.46
Nippon Tel & Tel 5¾ 93	100	101⅛	101½	-0½	-0⅛	5.57
Nisshin Steel 6⅛ 91	100	100¾	101¼	+0⅛	-0⅛	5.07
Osterr Post 6¼ 91	100	101¾	102	-0⅛	-0½	5.80
Quebec Province 5⅝ 93	100	99½	99¾	-0⅛	0	5.67
Shikoku Elec Power 6 91	100	102⅛	102⅝	0	-0½	5.64
Sumitomo Heavy Ind 6 91	100	101¼	101⅝	-0⅛	-0⅛	5.75
Tokyo Elec Power 5⅞ 91	100	102	102¼	0	-0⅛	5.52
Trizec Corp 6⅛ 93	100	99⅞	100⅛	0	-0⅛	6.12

Av. price changes: on day 0, on week 0

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅛ 92	15	106⅛	107	0	+0⅛	7.96
E.I.B. 8⅛ 92	15	103	103¾	0	0	7.88
Int Am Dev Bk 7⅞ 93	15	100⅛	101	0	0	7.78
New Zealand 7⅝ 89	15	103⅛	103⅞	+0⅛	-0⅜	6.86
World Bank 7⅝ 93	20	100⅝	101	+0½	0	7.53

Av. price changes: on day +⅛, on week +⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
British Col Hyd 12 93 CS	1251	96¾	97¼	—	—	12.54
Farm Credit 12¼ 90 CS	75†	100	100½	+0½	-0¼	12.17
Loblaw 12½ 90 CS	351	97¾	98¼	0	-0⅛	12.66
TD MTG Corp 12½ 88 CS	40†	100½	101	0	-0¼	12.24
Quebec Hydro 12¾ 93 CS	501	101⅛	101⅝	+0⅛	-0⅛	12.49
Royal Trstco 12⅝ 88 CS	50†	101	101½	0	0	12.25
World Bank 12¼ 90 CS	75†	99⅝	100⅛	0	-0¼	12.20
E.E.C. 11 93 ECU	50	100¾	101¼	—	—	10.87
Genfinance 11 90 ECU	60	99⅛	99⅝	+0⅛	+0¼	11.14
Algemene Bank 8¾ 88 Fl	150	102⅜	102⅞	-0⅛	-0⅛	8.03
Bank Mees & Hope 9 88 Fl	75	102⅜	103⅛	-0⅛	-0⅜	8.18
Elect Sup Brd 8¾ 88 Fl	75	97	97½	-0⅛	-0⅛	8.51
P.H.P. 8¾ 88 Fl	50	102⅛	102⅝	0	-0⅛	8.10
Swed Exp Cred 7¾ 88 Fl	100	96⅜	96⅞	0	+0⅜	8.71
World Bank 9 88 Fl	100	102⅞	103⅜	+0⅛	-0⅛	8.15
O.K.B. 14 88 FF	400	100¾	101¼	-0⅜	-0⅛	13.23
Solvay & Cie 14¾ 86 FF	200	101⅞	102⅜	-0¼	-0¼	12.36
B.F.C.E. 11½ 86 £	50	99⅛	99¾	0	-0⅛	11.76
British Oxyg 11¾ 91 £	50	99⅞	100⅜	0	+0⅛	11.86
CEPME 11⅛ 95 £	35†	103	104	+0⅛	+1	10.68
CIBA-Geigy Int 8⅞ 93 £	25	98⅜	98⅞	-0⅜	+0½	6.91
E.E.C. 11⅞ 91 £	50	100½	101⅛	0	-0⅛	11.67
E.E.C. 11½ 93 £	50	100½	101	0	-0⅜	11.73
Fin For Ind 10½ 90 £	20	94⅝	95⅛	0	-0⅜	11.62
Finland Rep 11⅞ 88 £	50	100⅛	100⅝	0	-0⅛	11.70
Gen Elec Co 12½ 89 £	50	103¾	105	+0⅛	+0⅛	11.31
I.I.I. 10¾ 93 £	20	94⅝	95⅛	0	-0⅜	11.67
I.I.I. 11½ 01 WW £	50	99⅛	99⅝	0	-0⅛	11.58
Mort Bk Fin 11¾ 89 £	15	97⅞	98⅜	0	-0⅛	12.14
Norsk Hydro 12 90 £	30	100⅞	101⅜	0	-0⅛	11.80
Sweden 11¼ 93 £	50	98	98½	0	+0⅛	11.51
Swed Exp Cred 11¼ 88 £	30	98⅞	99⅜	+0⅛	0	11.57
World Bank 11⅛ 88 £	100	98¾	99¼	0	-0⅛	11.41
Eurofima 10 91 LuxFr	600	99	100	-0⅛	-0⅛	10.09
Europarat 10¾ 93 LuxFr	600	100	101	-0⅛	-0⅛	10.64

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
Allied Irish Bk 5¼ 95	0¼	98½	98¾	8/6	5¼	5.32
Banco di Roma 5¼ 88	0¼	89½	99¾	7/8	5¼	5.27
Belgium 5 2004	0½	98½	98¾	0/1	8	5.07
B.F.C.E. 5¼ 88	0¼	99¾	100	20/1	10.18	10.19
C.C.F. 5¼ 95	0¼	99⅝	99⅞	7/4	9.94	9.98
C.C.F. 5¼ 98	0¼	99⅞	100⅛	24/3	10.18	10.18
Cepme 5¼ 88 WW	0¼	99¾	100	3/3	10.31	10.33
C.N.C.A. 8¼ 95 XW	0¼	99⅝	99⅞	7/6	10½	10.55
C.N.T. 5¼ 91	0¼	99⅜	99⅝	8/5	10.19	10.24
Credit Foncier 5¼ 93	0¼	99½	99¾	8/4	10	10.04
Credit Lyonnais 5¼ 94	0¼	99½	99¾	8/1	10.31	10.35
Credit Lyonnais 5¼ 97	0¼	99⅝	99⅞	1/4	10	10.05
Denmark 5¼ 90	0¼	99⅝	99⅞	13/4	10	10.06
Dresdner Fin 5¼ 93 XW	0⅛	99⅞	100⅛	11/6	9.94	9.94
E.D.F. 5¼ 95 XW	0¼	99⅝	99⅞	16/2	11⅜	11.40
E.E.C. 5 90	0⅛	100	100⅛	5/1	10.19	10.17
First Interstate 5¼ 95	0⅛	99⅛	99⅝	8/3	5¼	5.29
Fuji Int'l 5¼ 90	0¼	99½	100	12/1	5¼	5.22
GZB 5¼ 90	0⅛	99⅝	99⅞	29/5	5¼	5.26
Nippon 5¼ 95	0¼	97¾	98	20/4	10	10.22
NZ Steel Dev 5¼ 92	0⅛	99⅞	100⅛	27/12	10¼	10.35
Sumitomo Int 5¼ 93	0⅛	99¾	99⅞	8/6	9⅞	9.26
Soc Generale 5¼ 90 XW	0⅛	99½	99⅞	9/6	10.31	10.36
Sweden 5¼ 93	0⅛	100⅛	100⅜	2/2	11.19	11.16
Sweden 5¼ 2003	0¼	99⅝	99⅞	17/6	5¼	5.38

Av. price changes: on day 0, on week 0

CONVERTIBLE BONDS	Conv. date	Conv. price	Bid	Offer	Chg. day	Prem
Bridgestone Tire 5½ 96	3/82	470	125¾	127¼	-2⅛	4.82
Canon 7 87	7/82	690.2	237¼	238¼	+0⅜	-2.66
Daiwa Sec Co 5½ 98	10/83	493.8	94	95¼	-1⅛	-3.85
Fanuc 3¾ 98	1/84	5142	117¾	118¾	-5	6.45
Hitachi Cable 5⅝ 96	2/82	515	107½	108	-0⅜	-6.87
Honda Motor 5⅜ 98	6/83	884	122¾	123¾	-4½	-2.33
Honda Motor 5½ 97	3/83	788.8	141⅝	143½	-4⅞	-3.50
Konishiroku Photo 4 98	10/83	675	97¾	98¾	-1⅜	1.83
Kyowa Hakko 5⅛ 97	2/83	282	106⅝	108⅛	-1½	14.08
Minebea Co Ltd 5½ 98	6/83	687	107½	108½	-0⅝	2.76
Mitsubishi Electric 5⅛ 98	6/83	396	106½	107½	-2⅛	-2.52
Mitsubishi Heavy 4⅝ 98	1/84	253	101⅝	102⅝	—	2.82
Nippon Electric 5⅛ 97	2/82	795.3	178	180	-4	-1.38
Nippon Oil Co 5½ 98	4/83	984	112⅝	113⅝	-2⅜	-6.05
Nissan Motor 5⅛ 98	4/83	708	103⅝	104⅝	-1⅜	-1.83
Olympus Optical 5⅞ 97	12/82	1057	188⅝	189⅝	-3½	2.75
Orient Leasing 5⅛ 98	6/83	2668	88¼	89¼	-2	8.17
Sanyo 5 98	11/83	2028	142¾	144¼	+2⅛	1.42
Yamaichi Sec Co 5 98	8/83	498.5	95⅛	96⅝	-0½	-1.04
Yamanouchi Pharm'cal 4 98	10/83	1998	98⅝	99⅝	-0½	12.72
Bridge Oil 4⅝ 93 SF	3/84	3.43	105	106	-4⅛	8.98
Settsu Paper 3⅝ 93 SF	9/83	716	100¾	102½	-0⅛	12.76
Maiez 8 92 DM	12/83	520	109¾	111	+1¼	10.22
Konishiroku 6⅛ 88 DM	6/82	816	121¼	122¼	-2⅛	-2.75
Sun Realty 6⅛ 92 DM	2/83	365	126⅝	127⅝	2	-5.68

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn = current coupon. C.yld = current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

© The Financial Times Ltd., 1983. Reproduction in whole or in part in any form not permitted without written consent. Data supplied by DATASTREAM International.

Christmas comes early to bond markets

By Mary Ann Sieghart in London

EUROBOND secondary markets showed signs of shutting down for Christmas yesterday. Turnover was very low in dollar and D-Mark denominated bonds, some of which gained a point, and also in Swiss franc foreign bonds, whose prices closed weaker where changed.

There were no new issues yesterday, but SBC priced its SwFr 100m deal for All Nippon Airways. The 10-year bond will have a 2¾ per cent coupon at par, less than its indicated 2⅞ per cent.

BHF Bank bond average		
Dec 19		Previous
97.861		97.847
High	1983	Low
102.017		97.699

U.S. $40,000,000
BANCA SERFIN, S.A.

Subordinated Floating Rate Serial Notes Due 1985-1989

For the six months 20 December, 1983 to 20 June, 1984

In accordance with the provisions of the Notes notice is hereby given that the rate of interest has been fixed at 10¹⁵⁄₁₆ per cent. and that the interest payable on the relevant interest payment date 20 June, 1984 against Coupon No. 4 will be U.S.$555.99.

Agent Bank:
Morgan Guaranty Trust Company of New York, London

All of these Securities have been offered outside the United States.
This announcement appears as a matter of record only.

New issue / December, 1983

U.S. $100,000,000

TAIYO KOBE FINANCE HONGKONG LIMITED
(incorporated in Hong Kong with limited liability)

12% Guaranteed Notes due 1990

Payment of principal and interest unconditionally guaranteed by

THE TAIYO KOBE BANK, LIMITED
(Kabushiki Kaisha Taiyo Kobe Ginko)
(incorporated in Japan with limited liability)

The Taiyo Kobe Bank (Luxembourg) S.A.   Salomon Brothers International
Morgan Guaranty Ltd

Bank of America International Limited   Bankers Trust International Limited
Chase Manhattan Capital Markets Group (Chase Manhattan Limited)   Citicorp Capital Markets Group
County Bank Limited   Crédit Commercial de France
Crédit Lyonnais   Deutsche Bank Aktiengesellschaft
First Chicago Limited   Goldman Sachs International Corp.
Kleinwort, Benson Limited   Manufacturers Hanover Limited
Merrill Lynch Capital Markets   Samuel Montagu & Co. Limited
Morgan Stanley International   The Nikko Securities Co., (Europe) Ltd.
Nomura International Limited   Swiss Bank Corporation International Limited
Union Bank of Switzerland (Securities) Limited   S. G. Warburg & Co. Ltd.

Amro International Limited   Banca Commerciale Italiana   Bank für Gemeinwirtschaft Aktiengesellschaft   Bank Gutzwiller, Kurz, Bungener (Overseas) Limited
Bank Leu International Ltd   Bank K G Winter & Company   Banque Bruxelles Lambert S.A.   Banque Européenne de Tokyo S.A.
Banque Générale du Luxembourg S.A.   Banque Internationale à Luxembourg S.A.   Banque Populaire Suisse S.A. Luxembourg   Banque Worms
Baring Brothers & Co., Limited   Cazenove & Co.   Chemical Bank International Group   Compagnie de Banque et d'Investissements, CBI.
Creditanstalt-Bankverein   Daiwa Europe Limited   DG BANK Deutsche Genossenschaftsbank   Dominion Securities Ames Limited   Enskilda Securities Skandinaviska Enskilda Limited
Genossenschaftliche Zentralbank AG Vienna   Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft   Hambros Bank Limited   E. F. Hutton International Inc.
Lloyds Bank International Limited   B. Metzler seel. Sohn & Co.   Morgan Grenfell & Co. Limited   Norddeutsche Landesbank Girozentrale   Sal. Oppenheim jr. & Cie.
Orion Royal Bank Limited   Österreichische Länderbank Aktiengesellschaft   Pierson, Heldring & Pierson N.V.   Prudential-Bache Securities
N. M. Rothschild & Sons Limited   Smith Barney, Harris Upham & Co. Incorporated   Sparbankernas Bank   Taiyo Kobe Finanz (Schweiz) AG
Vereins- und Westbank Aktiengesellschaft   Wood Gundy Limited   Yamaichi International (Europe) Limited   Zentralsparkasse und Kommerzialbank, Wien

SECTION IV

FINANCIAL TIMES SURVEY

ITALY

BANKING, FINANCE AND INVESTMENT

The voracious demands of Italy's public sector deficit dominate the financial scene, leaving little for private borrowers—and that at punitive interest rates. This survey examines reactions of banks and other institutions

Italy's Socialist Prime Minister Sig Bettino Craxi (right) presides over a Cabinet meeting last October with, on his left, Foreign Minister Guilio Andreotti and to his right Vice-Premier Arnaldo Forlani and Defence Minister Giovanni Spadolini

CONTENTS

Structure	II
Borrowing	II
State aid for industry	IV
Profile: Francesco Cingano	IV
Merchant banks	V
Leasing	V
Small businesses	VI
Profile: Ken Bromley	VI
Bank of Italy	VII
Profile: Guido Vitale	VII
Retail banking	VIII
Money markets	VIII
Milan Bourse	IX
Profile: Ettore Fumagalli	IX
Aftermath of Ambrosiano	X
Profile: Banco di Napoli	X

Runaway public spending

IN ITALIAN banking there truly is no rest for the weary. This year the devastating and sordid Banco Ambrosiano affair finally slipped off the front pages, the bank's missing $1.3bn an issue unresolved and the past involvement of the Vatican looking ever more dubious.

The arrival in August of Sig Bettino Craxi, Italy's first-ever Socialist Prime Minister, seemed a harbinger of change, his campaign replete with promises of action on the country's runaway public-sector spending.

By Alan Friedman

But the sad truth is that Sig Craxi, for a variety of reasons, has been unable to tackle the financial system's "public enemy number one" — a L90,000bn ($55bn) public sector deficit which next year is expected to rise to more than L100,000bn. The banking system, meanwhile, sits on the sidelines, furious about the way in which high-yielding Treasury bonds are drawing customer savings away, and frustrated by incredibly tight monetary controls which make the cost of loans well nigh prohibitive for many borrowers.

There is unanimous agreement that something must be done, and all the big and respectable guns have been turned on the problem of the public sector deficit, now running at a level of nearly 17 per cent of gross domestic product (GDP). This compares with a U.S. deficit, representing around 5 to 6 per cent of GNP. In the UK the ratio is below 3 per cent.

The International Monetary Fund (IMF), in a dramatically worded 12-page report, forecast disastrous consequences if Italy's finances were not soon put in order. The IMF letter referred to the deficit variously as a "cancer" and a "time bomb" threatening the Italian economy.

The independent-minded Bank of Italy published a new Bank of England-style bulletin last month warning that the Craxi budget just wasn't "capable in the short-term of bringing about such huge reductions in the public sector borrowing requirement as those indicated."

But no matter how much the establishment wails, the fact is that Italy's inflation rate, which has averaged more than 15 per cent this year, is still more than twice as high as the average of its OECD counterparts.

The interest rate structure, including prime rate, discount rate and Treasury bond yields, is hovering in the high teens. Corporate borrowers find they need to pay anything from 20 to 25 per cent for money (while the recession has reduced credit demand this year) and, even with the abolition last June of Bank of Italy credit controls, the private sector is still likely to be crowded out by the Government's voracious appetite for deficit-battling Treasury bond issues.

"I sometimes wonder if we have a banking system at all," moaned one Milan-based banker whose bank is not part of the 90 per cent of the system which is state-controlled. "How can deposit rates of 10, 11 or even 15 per cent compete with much higher level government securities which offer 3 to 4 per cent real interest rates as tax-free investment?" he queries.

Other bankers in Rome and Milan agree, shaking their heads sadly and acknowledging that in reality the high-yielding Treasury bonds are "the only game in town." It used to be the case that most savers (Italy has a savings ratio of nearly 20 per cent, one of the highest in the world) were content to deposit their money in banks.

The banks then "intermediated" the money, placing a significant portion in Government bonds. But the process of "disintermediation" has taken hold in earnest as Treasury issues with maturities ranging from a few months to seven years are being purchased directly by the public.

Strict exchange controls mean that Italian investors cannot really contemplate shipping their funds abroad. And the stockmarket, dominated by the loosely regulated Milan bourse, is too small and too risky to attract many small investors.

The same is true on the flip side of the coin: Italian companies, many of them chronically undercapitalised, do not go to Milan and raise capital on the bourse. So the normal route for small and medium-sized companies is to the bank, except that banks find themselves "forced" to charge loan rates which can be 10 to 12 per cent higher than their *de facto* (and unpublished) deposit rates.

In fairness to the banks, there are reasons why the margins can run so high. (This year the Italian banking association (ABI) estimates that average margins are about 4.6 per cent.) Years of credit controls from the Bank of Italy—the agreed growth rate for private sector credit in 1983 was 14 per cent—have limited lending opportunities, forcing banks to make a return where they can.

Nominal return

Equally, stringent reserve requirements (the present system is aimed at achieving a level of 22.5 per cent of deposits) mean that a sizeable portion of bank deposits pay only a nominal 5.5 per cent—the prime rate as of last month was 18.75 per cent.

All of this adds up to an unhappy interest rate structure, making borrowing costs high and adding to the Government's own expenses. Some 60 per cent of the public sector deficit represents interest payments on outstanding government securities. Both the banks and the Government would like to see the whole interest rate matrix nudge downward, and indeed it has, by 1 to 2 per cent over the last 18 months.

The problem, however, as one economist puts it, is "chicken and eggish": Confindustria, the employers' association, says that banks should lower lending rates and this will help the Treasury to lower its rates on bonds. The Bank of Italy says its need to fight inflation requires a tight monetary policy. Who moves first? The answer has been neither.

What is the outlook then for 1984? The Craxi Government forecasts a 2 per cent growth rate, compared with a decline of more than 1 per cent this year. Likewise, the optimists in Rome speak of a 10 per cent inflation rate a year from now—but only in August did the monthly indicator drop to 13 per cent. Pragmatists would argue that Italy will be lucky to achieve a 1.5 per cent 1984 growth rate and a 12 per cent inflation rate.

Italy is a highly flexible economy, capable of rapid response to world demand, but the lire, although gently declining against most major currencies, is artificially strong outside the EMS, and this is unfortunate as West Germany is a major market for Italian exports.

Although some progress has been made on wage indexation—last January's reduction of the *Scala Mobile* (inflation-pegged wage index) was a major step forward and there are signs of more progress on this front—this is not enough. Public sector spending still needs huge cuts and neither the powerful Christian Democrats, nervous since the last general election about their appeal, nor the ambitious Sig Craxi wish to become known as cutters of public services.

The Italian current account deficit, expected to be a reasonable L2,000bn for 1983, has come down dramatically over the past two years, largely because the recession reduced imports. But a recovery in the Italian economy could lead to a rise in imports, with attendant balance of payments problems.

As for the private sector, traditionally squeezed out by heavy government borrowings and monetary controls, the formal abolition of credit controls this year does not seem like a panacea. Even Bank of Italy admits the bankers' lament that informal "moral suasion" means the formal abolition of controls is not very significant. One managing director of a top Italian bank says simply: "The credit ceiling has been abolished, but it has not really been abolished."

Still unravelling

It is not just the deficit which continues to overhang the banking scene, however. It is now 18 months since Sig Calvi's body was found hanging under Blackfriars bridge in the City of London and the affair is still unravelling.

In recent weeks the joint commission, set up by the Italian Government and the Vatican to discuss the Vatican's bank's liabilities for $1.3bn of Ambrosiano funds channelled through Caribbean and South American dummy companies which the Vatican has acknowledged that it technically controlled, has concluded its lengthy discussions.

It now appears that the Vatican may well make a contribution towards the debts, but it remains unclear just how and when. Meanwhile a group of 93 banks led by NatWest and Midland continue with their legal actions against the successor bank, Nuovo Ambrosiano, for the recovery of $450m of loans made to the collapsed Banco Ambrosiano holdings subsidiary in Luxembourg.

Nuovo Ambrosiano says it has no obligations under Italian law, and the prospect of a direct legal action against the Vatican Bank came closer last month when Touche Ross, the London accountants charged with running the old Ambrosiano Luxembourg holding company, hired a top London law firm to draft a writ against the Vatican's Institute for Religious Works (I.O.R.). The writ is seen as a last resort and most people hope it will not become necessary to sue the Vatican.

BANCO DI ROMA: THE BEST WAY TO REACH ITALY.

Banco di Roma, with its network of branches and agencies in 30 countries and 5 continents, is attuned to the needs and requirements of today's business world. Its expert staff can immediately help you solve any problems you may have wherever they arise.

All its services are backed by 100 years of experience and by a reputation of which Banco di Roma is justly proud.

From sophisticated transactions in international money markets to normal counter operations, from the sale of lire at the most competitive rates on the market to the issue of lira travellers' cheques for tourists going to Italy, from the financing of important projects to the solution of minor short-term cash-flow problems, Banco di Roma always provides a thorough and swift service.

Italian goods, Italian industrial products, important Italian projects and technology: Banco di Roma has the key to all of these. And when you deal with Banco di Roma, you receive more than just the services of a great international bank, you get the warm and open-hearted touch of Italy.

BANCO DI ROMA
ONE OF THE GREAT INTERNATIONAL BANKS

INTERNATIONAL PARTNERS: BANCO HISPANO AMERICANO, COMMERZBANK, CREDIT LYONNAIS.

Italian Genius

Maybe it was in Roman times that Venetian glassmaking started. Or maybe new techniques and direction were learned from the Saracen Workshops, around the 12th century. Unfortunately the history is unclear. But there remains no uncertainty about the genius of the Italians who create it, even to this day.

This genius has been flourishing from generation to generation for hundreds of years. From the earliest 15th century examples surviving to today's products, the craftsmen have used time only to perfect their art.

Reproduced by kind permission of the British Museum.

But perhaps that's a familiar Italian trademark. It's certainly one that Italy's foremost bank shows in following the traditions of the world's first paper money dealers from Venice. Today we at Banca Nazionale del Lavoro not only offer a full range of banking services, but also provide the communications contacts essential in international finance. Through our extensive network of offices we provide your link with the Common Market and the rest of the world.

And like the glass makers, who take such pride and care with their work, we believe our clients will find our services based on the same tireless qualities.

Banca Nazionale del Lavoro

London Branch: 33–35 Cornhill, London EC3V 3QD. Tel: 01-623 4222.
Head Office: Via Vittorio Veneto, 119, Rome.

Official supporter to 'The Genius of Venice' exhibition.

CREDIOP
CONSORZIO DI CREDITO PER LE OPERE PUBBLICHE

PUBLIC LAW CREDIT INSTITUTION
ESTABLISHED IN 1919

CAPITAL AND RESERVES
LIT. 488,330,295,319
PROVISIONS AND OTHER FUNDS
LIT. 1,188,690,085,844
LOANS OUTSTANDING
LIT. 18,270,746,739,097

LOANS TO INDUSTRIAL, COMMERCIAL AND SERVICE COMPANIES

LONG-TERM LOANS TO PUBLIC AUTHORITIES AND THEIR AGENCIES.

EXPORT CREDITS

HEAD OFFICE:
ROME
VIA QUINTINO SELLA, 2
TEL. 06-47711
TELEX 611020 CRDPRO I

REGIONAL OFFICES:
MILAN
CORSO EUROPA, 12
TEL. 02-780379/780450
NAPLES
VIA MEDINA, 40
TEL. 081-264566/264781
BARI
VIA ROBERTO DA BARI, 119
TEL. 080-216469/232476

Fragmented system with wide range of institutions

Structure

ALAN FRIEDMAN

IN ITALY, to a larger degree than in any other Western industrialised nation, the banks are the mainstay of the country's financial system. While a wide range of domestic and foreign stock markets, Eurobond investments and various special investment funds is on offer to the average British saver, Italians have no such luxury of choice. Rigidity is the word when it comes to opportunities for Italian savers. The stock markets are small and exchange controls make it impossible to consider offshore investments without incurring heavy penalties.

When a company considers borrowing, it considers banks. When a private investor considers investing, he considers banks or Italian Government securities. In either case he is going through a Government-controlled system; around 90 per cent of Italy's 1,085 banking institutions are state-controlled.

Italians save more per capita than most other people in the world. Their savings ratio of nearly 20 per cent places them alongside the Japanese in terms of conservative personal financial management. The historical and cultural traditions of Italian savers are such that even during a period of high inflation (this year the average has been around 15 per cent), they continue to save. The Italian Bankers' Association (ABI) estimates that total deposits in the Italian banking system rose by 19.5 per cent between 1981 and 1982, reaching a level of L348,624bn last year.

The largest portion of deposits are with the savings banks, of which there are 90, including the giant Cariplo, the Milan-based group which ranks as Italy's sixth largest bank. Most of the savings banks are tiny, however, many having only a single branch. Last year the savings banks had 27 per cent of all deposits.

The Italian banking system is highly fragmented and contains a broad panoply of different types of institutions. There are three "banks of national interest," which are allowed to operate nationwide branch networks. These are Banca Commerciale Italiana, Credito Italiano and Banco di Roma, the second, third and fifth largest banks respectively. All three are controlled by IRI, the state holding company.

The national interest banks, with 917 branches, account for 7.2 per cent of Italy's 12,853 branches and last year held 11.5 per cent of total deposits.

ITALY'S TOP TEN BANKS
(L bn)

	Total deposits 1982	Total deposits 1981	Net profits 1982	Net profits 1981
Banca Nazionale del Lavoro	59,071	48,166	58.6	45.7
Banca Commerciale Italiana	43,615	35,652	50.5	46.1
Credito Italiano	32,603	29,518	43.2	37.5
Istituto Bancario San Paolo di Torino	30,436	23,663	91.6	30.3
Banca di Roma	29,686	27,414	30.8	31.6
Cassa Rips. Prov. Lombarde	28,758	23,415	31.8	24.6
Banco di Napoli	22,480	19,176	6.9	5.6
Istituto Mobiliare Italiano	21,790	19,389	144.7	72.1
Monte dei Paschi di Siena	21,605	18,468	22.6	18.8
Consorzio Cred. Opere Pubbl.	19,731	20,014	139.9	6.0

Source: Il Mondo ranking of 800 banks.

Six public credit institutes, also state-controlled, account for 13.7 per cent of the branch network (1,761 branches) and hold nearly 19 per cent of total deposits. The largest among these, Banca Nazionale del Lavoro, is also Italy's top-ranking bank.

There are some 650 small rural and agricultural banks, which together have 1,130 branches but only 4 per cent of all deposits. Some 320 ordinary banks, many of them private, hold nearly a quarter of deposits.

Misleading

Italian banks are among the most profitable in the world but their net profit figures can be misleading because of the extremely rigid system of state control, which manifests itself through reserve requirements, limits on branching and, until recently, credit controls. The profitability is the result in no small extent to the sheer inefficiency of banks in the transfer of funds. It can often take weeks for cheques to clear between two banks, even in the same city, and this provides the institutions with an interest-free float. In addition, the banks employ margins which would make many a British banker salivate.

Although the Italian Bankers' Association says the average margins this year are running at 4.6 per cent, it is not uncommon for banks to charge up to 10 per cent more on loans than their deposit rates. The reasons for this differential are bound up in the rigid control of the system, a system which in large part is orientated towards helping the Government to fund its ever-increasing public sector deficit.

Reserve requirements are now aimed at achieving a 22.5 per cent share of all deposits. Banks receive only 5.5 per cent interest from the central bank on reserves and also must place 6.5 per cent of new deposits in medium-term bonds. Professor Mario Monti, economic adviser to Banca Commerciale Italiana, says this is one of the disincentives to deposit-taking in Italy.

Last year Professor Monti co-authored a report which called for the abolition of credit controls and greater competition among banks. This year the Bank of Italy finally removed formal credit controls, but "formal" is the key word.

Although banks are now theoretically free to lend as they wish, the reality is that telephone calls from the Bank of Italy and summonses to Rome still exert what is politely referred to as "moral suasion." Real credit freedom is still far away. As it happens, recession had made the central bank's fears of a credit explosion somewhat overdone. A 14 per cent limit in credit expansion was agreed for the 12-month period ending this month but companies have not been pressing the banks for loans.

The Government's stiff controls have been designed to combat inflation but also to make sure there is a supply of the public savings for "Titoli," Government securities which are used to offset the public sector deficit — L90,000bn ($55bn) this year and still rising. In the past the banks would "intermediate" a chunk of the public's deposits by then purchasing the high-yielding Government bonds. But recently the public has been reasoning (quite rightly) that a 17 or 18 per cent tax-free return from Treasury bonds is more attractive than a 10 to 12 or even 15 per cent deposit rate from banks. This the process of "disintermediation" has the banks worried.

Last December, for example, the banks held 37.8 per cent of outstanding Government securities (with the Bank of Italy holding 11.5 per cent and the public 50.7 per cent directly). By September last the banks' share had declined to 33.8 per cent and the public's holdings had risen to 58 per cent. This is understandable, since Treasury bonds pay a real rate of interest of 3 to 4 per cent, while most bank deposits provide a return just below the inflation level.

Professor Monti—who is seen by some in Rome as a one-man shadow Bank of Italy—says the entire Italian interest rate structure must be brought lower. This, however, is easier said than done. The Government is afraid of what would happen to its bond programme if rates dropped and the banks feel they cannot afford to drop deposit rates for fear of losing still more deposits to the Government securities market.

"All of this makes the banking system a hidden tool of fiscal policy. This has traditionally minimised the political cost of huge Government deficits but we cannot go on this way indefinitely," warns Professor Monti.

Consumption

Along with other critics of the government of Prime Minister Bettino Craxi, Professor Monti says that something must be done to reduce public spending in Italy, a large part of which ends up as consumption rather than investment for the future. In a recent analysis he predicted that even if the Government can hold the 1984 public sector deficit to L90,000bn (which hardly anyone believes possible), real interest rates will remain constant or rise. "To achieve a decline in real interest rates the deficit would have to be L80,000bn next year and that is not going to happen," he explains.

The Monti critique goes further, touching on the repercussions of the Banco Ambrosiano affair. Italy does not have a national insurance scheme for depositors and although several senior bankers favour such a scheme, it looks like a political improbability. "We have not learned the lesson of Ambrosiano," declares Professor Monti. "There is still no depositors' insurance system."

Decline in international loans

Borrowing

PETER MONTAGNON

TO JUDGE by the views of the International Monetary Fund, Italy ought to be a leading candidate to become the Brazil of Europe.

In a letter last month to Sr Giovanni Goria, the Treasury Minister, Mr Alan Whittome, head of the IMF's European division, warned that Italy faced disastrous consequences if it failed to cut its budget deficit.

For many countries, such a disclosure would be enough to cut off the supply of foreign credit immediately. Yet Italy and its foreign bankers have long been used to living with the backdrop of large budget deficits and large deficits on the balance of payments.

Although the country does not rank as one of the foremost credits in Europe, it has always been an active and reasonably successful borrower.

Paradoxically enough, this year has seen bankers lulled into an even greater sense of security about Italy. Its current account balance of payments deficit is expected to be only L2,000bn for 1983 and its borrowings on international capital markets have dropped substantially.

In the first 11 months of the year it raised only $2.8bn in medium term syndicated bank credits, according to figures compiled by Morgan Guaranty Trust. This compares with $3.5bn in the same period of last year. Borrowing in international bond markets has also dropped to $1.46bn from $2.21bn.

To the early part of this year the absence of Italian borrowers from the syndicated loan market was something of a puzzle for international bankers. Some argued that the market had turned against Italy because of the unresolved legal issues surrounding the defunct Banco Ambrosiano.

Foreign bankers were particularly incensed at the Bank of Italy's refusal to support the operations of Banco Ambrosiano Holding in Luxembourg, and actually went so far as to sue the successor bank Nuovo Ambrosiano to get their money back. Rumours abounded of an unofficial boycott by these banks on new Italian business.

Other bankers felt that Italy faced a problem because its previously heavy borrowing had used up much of the available space in lending bank balance sheets. Italy was said to be relying heavily on short term credit lines to meet its needs for foreign exchange.

Figures from the government bore out this view to some degree. In the first eight months of this year Italy's foreign debt rose to about $55.5bn from $50.90bn at the end of 1982 with much of the increase accounted for by short term borrowings.

Improvement

Yet, as the year wore on, it became increasingly clear that two things had changed. First was the improvement in the external accounts which reduced the country's need for money. Second was a revival of domestic lending.

In September, for example, Eni, the state hydrocarbons concern, raised L1,000bn in the local syndicated loan market. This was the largest operation of its kind ever undertaken and the loan was subscribed by no fewer than 84 banks.

It followed hard on the heels of a L150bn issue of floating rate bonds by the Montedison chemical concern which was oversubscribed even before lists opened. As liquidity on the domestic capital markets has improved, it has become less necessary for large borrowers to look abroad for their funds.

Nonetheless, Italy's approach to the syndicated loans market bears all the hallmarks of caution. The Bank of Italy, which monitors foreign borrowings, has always been extremely conscious of the margins paid by Italian entities.

Smaller loans place much less strain on the market than larger ones, and despite the generally rather difficult conditions in the syndicated loan market this year Italian borrowers have not faced much of an increase in terms. Most deals are still done on a basis of a ¼-½ per cent margin over Eurodollar rates, although, recently, Italy has returned to the market for loans based on a margin over the more expensive U.S. prime rate after a period of some absence.

Italy is a fairly active borrower in the international bond markets, though here it does tend to suffer from the fact that it is not regarded as a tip-top credit risk. Bond investors are much more selective than banks in the Eurocredit market. As a result, Italian borrowers may find themselves paying a slight premium over other borrowers in these markets.

For example, the highway authority Anas recently raised a DM 150m bond with a coupon of 6½ per cent in the same week as the World Bank floated a DM 200m issue with a coupon of only 7¼ per cent. A £100m floating rate note for Enel was badly received by the City even though this sector of the market had recently enjoyed a spate of very successful issues.

Bankers drew two lessons from the Enel experience. The first was that the sterling floating rate note market would not accept an indefinite shaving of terms. The second was an important one for Italy—despite the machismo which the Banca d'Italia sometimes displays, its borrowing capacity will always be to some degree limited by the country's high budget deficit and inflation rate.

PROGRESS REPORT FROM A NEW BANK.

Our Start:
We opened for business under a new name with new management and new shareholders on 6th August 1982. Our share capital is 600 billion lire *(US $ 438 million approx).** Our total staff 3,930.

Our Shareholders:
We are owned by seven prime Italian banks. Three (Banca Nazionale del Lavoro, Istituto Bancario San Paolo di Torino, I.M.I. - Istituto Mobiliare Italiano) are from the public sector. The others (Banca Popolare di Milano, Banca S. Paolo - Brescia, Credito Emiliano, Credito Romagnolo) are leading local banks in their regions.
Their total assets approach 150,000 billion lire *(US $ 109,500 million approx).**

Our Capital Increase:
We will have an increase in capital of a further 150 billion lire under a warrant scheme, approved at our last Extraordinary General Meeting. As a result, our capital will be the highest of any bank in Italy.

Our Customers' Deposits:
In our first financial year, ending June 30th 1983, we have achieved an increase of over 50% in customers' deposits from a low of 1,928 to a high of 2,941 billion lire.

Our Network:
We took over 112 branches mainly located in the prosperous cities of North and Central Italy. By the end of the year our restructuring programme will result in 9 new branches being opened. All in important locations.

Our Subsidiaries:
Through "La Centrale" Finanziaria Generale, our financial and investment company in Milan, we control two important regional banks and a financial service company. All four are quoted on the Milan Stock Exchange. Banca Cattolica del Veneto has 192 branches located mainly in the Veneto region whilst Credito Varesino has 62 branches mainly in the Varese, Como and Milan areas; Fiscambi S.p.A. of Milan operates in the fields of leasing, factoring and real estate as well as in other financial sectors.

NUOVO BANCO AMBROSIANO
ESTABLISHED 1982

Head Office: Via Clerici, 2 Milano (Italy) - Telephone (2) 85941 - Telex 320252 NBAFOR I
Representative Offices: New York - Hong Kong - Tokyo

* $/Lit. rate as at 31.12.82

CASSA DI RISPARMIO DI FIRENZE
Bankers since 1829

1982 Annual Accounts

	Lire million
Customers' deposits	5,778,162
Loans and advances	1,570,530
Financial investments	2,395,610
Total Assets	4,991,790
Capital Funds	141,985
Net profit for the year	3,048

General Management and Florence Main Office:
Via Bufalini, 4-6 - 50122 Florence
U.K. Representative Office:
Wax Chandlers' Hall, Gresham Street, LONDON EC2V 7AD
Phone (01) 60.68.225-6-7 - Telex 886529 FIGETV G
Cable Address FIGEVLON LONDON EC2

It takes a leader to straighten out cash management in Italy.

We are delighted to be able to tell you that our BAMTRAC system of cash management extends to Italy as well.

The latest in banking technology in the country that gave us not only the very concept of banking itself, but also the founding-father of our own bank.

BAMTRAC. Up-to-date cash management technology from Bank of America, that gives you your international operations on-line, in your office.

Information from our subsidiary Banca d'America e d'Italia's 95 branches in Italy.

And, of course, information from the rest of Bank of America's worldwide network. In a matter of moments, at the touch of a button.

Of course, some might say that it's really no more than you'd expect from us.

Who else could give you the answer to cash management in Italy. On a plate. Look to the Leader.

BANK OF AMERICA

GRUPPO
BANKNORD
via Turati 40 - 20121 Milano - phone 651843 - telex 316110

BANCA DI VALLE CAMONICA - BRENO (BS)
BANCA LOMBARDA DI DD. E CC. - MILANO
BANCA S. PAOLO - BRESCIA
BANCA SELLA - BIELLA (VC)
BANCO DI DESIO E DELLA BRIANZA - DESIO (MI)
CREDITO EMILIANO - REGGIO EMILIA

BANKING ASSOCIATION TO PROMOTE AND DEVELOP DOMESTIC AND INTERNATIONAL BUSINESS

C.B.I.
Banca Popolare Commercio e Industria
TOTAL ASSETS Lit 2,198 BILLION
FOUNDED IN MILAN 1888
CAPITAL AND RESERVES Lit. 77,416,214,818
HEAD OFFICE Milano, Via della Moscova 33
Telephone: (02) 62.751 - Telex 310276/320567 COMIND I
S.W.I.F.T.: POCI IT MM

Heavy call on national resources

State aid for industry

JAMES BUXTON

A FEW weeks ago the Italian Government unveiled a new company which is being specially set up to rescue the country's sugar beet refining industry. It presented to parliament a Bill to establish the Societa per il Risanamento delle Imprese Bieticolo-Saccarifere (RIBS).

RIBS should be empowered to spend up to L240bn in the next two years on taking stakes in several sugar refining companies which are in serious financial difficulties. The worst affected is Montesi which owes at least L87bn to farmers for sugar beet crops, and other companies between them owe a roughly similar amount. If the creation of RIBS, sponsored by the ministry of agriculture, is approved, it will inject funds into the ailing companies with a view to selling its stakes after five years by which time it is hoped the companies will have recovered.

Crisis compounded

The weaker sugar beet refiners are in trouble because they failed to invest in new plant as Italian sugar beet production rose from the late 1960s onwards. They accumulated losses and debts which finally got to the point at which they could not pay the farmers who are now refusing to grow sugar beet — thus compounding the companies' crisis.

Assuming RIBS is approved in something like its original form, which is not certain, it will be a second test case of a new form of government intervention to help industries in difficulty — an investment company with limited aims and a fixed time limit on how long its participations may be held. The first of its kind was Societa Per La Ristrutturazione Elettronica (REL), which is to invest L360bn in companies making electronic components, car radios and most important, colour televisions in association with Zanussi and Indesit.

The two investment companies are part of a long Italian tradition of the Government helping sectors in difficulty, particularly where employment may be at risk. The difference with RIBS and REL is that this time the authorities are trying to do the job more cleanly and less wastefully than in the past and within set time limits.

There are still many obstacles to be overcome for both companies. The birth of REL took several years, from the first difficult allocation of funds to agreement on the final form of the company, and REL has still not received approval from the Common Market which looks critically at state aid for industry under its competition policy. RIBS is likely to be subjected to similar scrutiny.

The justification advanced by the Government for this kind of aid is that as Italy suffers perennially high interest rates and a permanent shortage of capital, the state has to step in to help the private sector offset these disadvantages. In the case of the electronics industry the difficulties could be said to be particularly of the Government's own making since it dithered far too long before deciding what kind of colour TV system to adopt, by which time the market had been laid open to well-prepared foreign competition.

No one denies that colossal sums of government money have been lost on rescuing companies that never recovered and perhaps should have been allowed to fail, while there are laws which enable companies to survive that would otherwise have gone under. At least part of the capital shortage that the country faces is due to the fact that so much is locked up in companies which do not have a future, but which it is considered important to keep going for political reasons.

It is almost unheard of for a company of any size in Italy to go bankrupt and disappear. If such a company cannot be kept going by any other device, it has usually in the past been handed over to the state holding companies IRI, ENI or EFIM, to take care of. Most of ENI's vast losses are due to its forced acquisitions of rotten "assets" in the chemical and mineral fields.

So REL and RIBS must, if policy is really changing, avoid the terrible fate of GEPI. A company set up in 1971 to promote the "reconversion" of companies in financial or managerial difficulties with a view to aiding employment. No time limit for GEPI's intervention was fixed and the organisation has stakes in nearly 200 companies, employing about 25,000 people, and turnover of about L900bn. But it also has accumulated losses of L1,184bn at the end of 1982 and by June 30 this year had absorbed nearly L2,500bn of government funds of which it had disbursed L2,156bn.

Barely salvageable

GEPI's empire contains a few reasonably strong companies, such as Maserati, the car maker but also many weak ones in almost every sector from engineering to tiles. Usually what has gone wrong is that either the companies were barely salvageable in the first place, or the arrival of the GEPI created a confidence that the company would never die, so no-one subsequently felt any pressing need to see it back in profit. Where profits are made they do not always come the way of GEPI.

GEPI is owned 50 per cent by IMI (Istituto Mobiliare Italiano), the state-owned medium term finance corporation, with other stakes held by ENI, IRI and EFIM. IMI is ranked in the category of special medium term lending institutions by Mediocredito Centrale, Crediop, IASM and a number of other institutions for the development of the south of the country, still one of the poorest parts of Western Europe. Loans by the special credit institutes rose from L8,424bn in 1980 to L14,689bn in 1982. Part of these funds are disbursed on concessionary terms under laws providing for subsidised loans at low rates of interest for certain industries or types of borrower. The Government is supposed to top up the loans.

The Government can also hand out funds for industry under special laws. The best known of these is No. 675 of 1977, which provided for subsidies on investment of up to L4,500bn. Yet the law expired last year without a single lira being disbursed under it, partly because the banks would not agree the procedure under which funds would be handed out and partly because the EEC, whose permission was not sought until 1981, has so far refused to approve it.

The beneficiaries of law 675 would be mainly large companies, such as Finsider, the state steel concern and Montedison, the chemical company and would go to assist industrial restructuring, upgrading of old plants and investment in new. Fiat, though healthy, is due to receive substantial sums under this law for the launch of the Uno car, achieved without government financial assistance at the beginning of this year.

Another measure, Law 902 of 1976 was designed to assist small and medium-sized businesses in the centre and north of the country with investment. By the end of last year some 2,500 applications had been accepted and L500bn disbursed.

The most recent law, approved in early 1982, provides L1500bn for technological innovation, for which Fiat has been designated as the recipient of L234bn for cars and L10bn for industrial vehicles. Nothing has yet been paid, however, because of the usual bureaucratic difficulties.

Another law, which has had some effect, was law 787 of 1978 which allowed banks to form consortia to rescue companies in temporary financial difficulties, and consolidate their debts. In the case of Pirelli and Snia Viscosa the law worked well, and both companies have recovered. But no consortia were ever successfully put together to help SIR and Liquichimica, two failed chemical companies, mainly because their difficulties did not appear to the banks to be "temporary." They have since disappeared in large part into the maw of ENI.

There is also the Prodi Law, named after Professor Romano Prodi, a former Minister of Industry and now chairman of IRI. Otherwise called law 95 of April 1979, it gives the Government power to appoint a special commissioner to administer companies in financial trouble, and allow them to borrow from the banks under a Treasury guarantee. It thus offers a more favourable form of receivership than that which the law normally provides, but access to the Prodi Law is at the discretion of the Government.

Another device

Though the Prodi Law does not in itself entail the Government making payments, it is another device which tends to divert funds from the banking system away from the healthier concerns to the weaker companies whose future is often uncertain. A few weeks ago Parliament, having altered the Prodi Law specifically to enable a small but politically influential publishing company, Einaudi, to benefit from it, sharply criticised the law itself. The system of financing did not work, Parliament said, and many companies only financed themselves by not paying their current debts—thus accumulating further burdens. Few of the recovery programmes the companies drew up ever came to fruition and most of the companies were in permanent loss, with 40 to 50 per cent of their employees on state-subsidised lay-off. It was, naturally, difficult to sell the businesses to anyone except at great cost to the creditors.

Given those pungent criticisms, and the fact that with so much money, both government and private, diverted by law to companies which rarely have very good prospects, it is astonishing that so many reasonably healthy Italian companies do succeed both in investing—Italian investment levels at the beginning of the decade were among the highest in Europe—and in flourishing.

PROFILE: FRANCESCO CINGANO

Sig. Francesco Cingano—"The problems of our economy and of others cannot be solved by monetarism alone."

Academic with firm grasp of reality

FRANCESCO CINGANO, chairman of Italy's second largest bank, must be about the only person in Milan who stays in the city at weekends. Whereas most of Milan's financial elite would not be caught dead in the deserted city on a Saturday or Sunday—the lakes, the Riviera, the ski slopes and the Alps all beckon—Dr Cingano says he likes to remain in his apartment and read books on economic history.

The 60-year old chairman of Banca Commerciale Italiana (BCI) is not a brusque, cut-and-thrust Milanese banker. He is from a little town in the Veneto region of North east Italy, not far from Venice.

He is a quiet man with a sharp sense of humour who 40 years ago studied law but preferred French and English literature. He joined BCI in 1946, a few weeks after graduating from the University of Padua. "I entered BCI because my university suggested I should enter BCI," he recalls.

He has a strong interest in preserving art, and spends time as a director of the Fondo per l'Ambiente Italiano, the Italian equivalent of the National Trust. His academic interests are fulfilled by his membership on the board of the prestigious Bocconi University in Milan and by his work for the Mattioli Foundation for the study of economic history. Married with three children, Dr Cingano recently received the title of "Cavaliere del Lavoro," a distant relation of the British OBE.

Slightly ruffled

Seated in his spacious office overlooking the Piazza della Scala, Dr Cingano looks slightly ruffled when asked to apply his knowledge of economic history to the monetarist policies pursued by the Thatcher Government in Britain.

He reckons that "the British experience has significance for all of Europe" and particularly praises the 1979 UK abolition of exchange controls. But he is no firm believer in the Milton Friedman school of thought: "The problems of our economy and of others cannot be solved only by monetarism."

Like other Italians involved in finance, Dr Cingano believes (along with the International Monetary Fund) that Italy "must achieve an economic policy which is far more rigid." He sees the present attempts by the Government of Prime Minister Bettino Craxi to cut public spending as "the minimum, the starting point."

Also like other leading Italian bankers, Dr Cingano admits the difficulty of making any progress in the battle against Italy's spiralling public sector deficit.

Secular arm

What about the way in which Italy's banking system, which is 80 per cent state-controlled, is used by the Government to supply funds for the deficit? Dr Cingano, chairman of a bank which is 89 per cent owned by IRI, a state holding company, is not in a position to make radical statements. But he puts his view across quite bluntly: "The banking system is the secular arm of a monetary policy which must always serve the Treasury's growing needs at the expense of Italian industry."

The banker, opines the BCI chairman, is thus limited in both his operational choices and in his managerial responsibility. The banks must fulfil the wishes of the monetary authorities, who "follow policies which are aimed at making-up for the absence inefficiency or contradictions of an irresolute national economic policy." This has "flattened" the profile of the Italian banking system and it is up to banks like BCI to operate as an "entrepreneurial concern."

How is this to be accomplished? Dr Cingano does not have all the answers. He refers to the expansion of international activities and to the development of corporate lending—all within the limits imposed by authorities, of course.

There are frustrations apparent in the Cingano thesis, the frustration perhaps of a man who heads a 383-branch banking group which is inextricably woven into the Italian financial fabric. An aficionado of the academic side of banking history, he remains none the less a cool practitioner at heart.

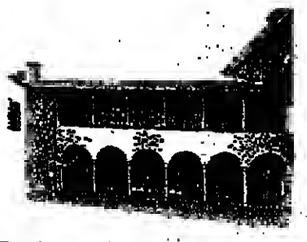
ALAN FRIEDMAN

In Studio di G. Ferrari

Banca Popolare di Abbiategrasso

Financial year 1982	(in billion lire)
Funds administered	728
Customers' deposits	527
Advances in cash	189
Acceptances and guarantees	25
Capital funds	116
Net profit	7,9

Founded 1890.
18 Branches in the province of Milan.



we know how to help you

to operate more profitably in the Italian market.

Banco di Sicilia can help you enlarge your business presence in Italy and abroad through its International Banking and Marketing Services.

Call us. We can assist you throughout Italy with 303 Branches and worldwide in Frankfurt/M., London (Licensed Deposit-Taker), New York, Brussels, Budapest, Chicago, Munich, Paris, Zurich.

Banco di Sicilia
London Branch/Licensed Deposit-Taker
99 Bishopsgate, London EC-2P

CASSA DI RISPARMIO DI PISTOIA E PESCIA

FUTURE AND TRADITION

42 BRANCHES in different important areas as
Pescia
Montecatini Terme
Monsummano Terme

Head Office:
Pistoia - Via Roma, 3
Telex 570268 Carpit
Telex 572241 Carest

ITALIAN BANKING V

Fresh initiative to improve supply of risk capital

Merchant banks

JAMES BUXTON

THE PALAZZO, in the Piazza Venezia in Rome, used to be the home of Napoleon's mother. The walls and ceilings are magnificently frescoed, the floors are of polished marble. The inhabitants, however, are not courtiers: they sit at the sleek desks of the modern office, each with its personal computer. The principal floor of the palazzo has been transformed into a merchant bank.

Italfinanziaria Internazionale, owned by Istituto Mobiliare Italiano (IMI), the state-owned medium-term finance corporation, is one of the first of a new kind of financial institution for Italy — the banca d'affari, a merchant bank providing financial service and taking temporary stakes in promising companies. Along with Sofipa, owned by Mediocredito Centrale, situated near the Villa Borghese, it represents Rome's attempt to become the merchant banking capital of Italy.

Perennial problem

The are aimed at solving the perennial Italian problem: lack of capital. Rare indeed is the Italian company which is well capitalised; many are chronically undercapitalised and rely far too heavily on bank borrowing for most of their funding. The problem has lately become acute. The colossal demands for the Government deficit makes interest rates at astronomic levels at a time when recession is eating into company revenues.

There are two basic reasons for the general shortage of capital. One is that the stock exchange has never succeeded in generating large amounts of risk capital, partly because it has been distrusted by investors for so long, and partly because the Government has always creamed off most savings to fund its own operations. However, the net issue of new shares on the stock exchange rose from L3,085bn ($1.86bn) in 1980 to L7,186bn in 1981 and L6,004bn in 1982.

The other reason is that businesses are largely family-owned and reluctant to enlarge their capital base by selling shares to others — and thus diminish their control. Many Italian businesses are at a much earlier stage of development than their equivalents in, for example, Britain, and in small companies the idea of bringing in new shareholders is often anathema. But even in one of Italy's biggest companies, Zanussi, the imperative of the family to keep absolute control has brought about the almost total suffocation of the company in debts.

Italian companies finance themselves mainly by borrowing from a network of banks—there is no shortage to choose from and a large Italian company will have accounts with up to a hundred. Although the commercial banks can only lend for a year at a time, in practice loans are rolled over from one year to the next and banks are in effect financing working capital.

There are also medium-term credit institutes, mostly state-owned or controlled, such as IMI, Mediocredito Centrale, Crediop and many others, whose aim is mainly to provide medium-term funding for companies. Most of them obtain their funds from the commercial banks who subscribe to their bond issues.

This does not solve the problem of how companies can obtain more equity, and diminish the control exercised over them by the banks. If things are to change, the stock exchange must become a more attractive and easier place in which to raise capital—the forthcoming introduction of unit trusts is a step in that direction —and the mentality of the Italian entrepreneur must change too. The success of the new merchant banks and those that follow them depends heavily on these conditions changing.

The merchant banking idea received a strong endorsement from Dr Carlo Azeglio Ciampi, Governor of the Bank of Italy, in his annual address last May. "The development of merchant banking activities would help medium-sized firms grow bigger and stronger and would pave the way towards stock exchange listing. Looking to the future these activities could usefully complement the operations of unit trusts and increase their investment opportunities."

The banks, he suggested, could set up institutions to do this, possibly in collaboration with other participants.

The only concern which has for long operated like a merchant bank on the lines Dr Ciampi suggests is Mediobanca, controlled by Credito Italiano, Banca Commerciale Italiana and Banco di Roma. It has sizeable participations in many of the larger Italian companies and acts as an imaginative broker in reconciling and advancing their interests. But its activities are mainly confined to large, established concerns, not to the rising small and medium-sized companies.

Italfinanziari Internazionale is the spearhead of IMI's attempt, under Dr Luigi Arcuti, to become a force in Italian merchant banking on a par with Mediobanca. It was set up in its present form at the end of 1981 with capital of L120bn which is now being raised to L170bn. Its aim is to take stakes of up to 20 per cent in medium-sized companies with sound management, advanced products and good development prospects—companies, as Dr Cesare Rosa, the managing director calls them, that qualify like the fine wines of Italy for the label DOC —Denominazione di Origine Controllata.

Investment stakes

By the end of June this year, when the bank reported a net profit on the year of L4.78bn, it had L137bn worth of investments of different kinds on its books. It owns 10 per cent of Comau, the Fiat subsidiary which is a world leader in factory automation, a 20 per cent holding in Buffetti, a traditional office materials business, 20 per cent stake in Inglen (International Glass Engineering) of Florence, which specialises in building glass making plants and several others, in biomedics, clothing, ceramics and so on.

The intention is to hold stakes in the companies for up to five years (two to three years in the case of the larger companies), providing them in the meantime with financial services from the rest of the IMI group (Italfinanziaria itself has only a staff of 15) and then launch them on the stock exchange. In three to four years time the bourse will have changed, with the arrival of the union trusts, says Dr Rose, who is 44.

Sofipa, Italfinanziaria's rival, was established about the same time as Mediocredito Centrale, which finances a chain of regional medium-term credit institutes and also provides much of Italy's export finance. It is oriented towards rather smaller companies than is Italfinanziaria. So far it has taken two participations, both in clothing manufacture, but it is studying proposals for investment in engineering and other sectors. It envisages holding stakes in its companies for up to five or six years. "We want to get into companies during a period of growth," says Dr Giogio Tellini, the managing director.

Several other banks are planning to set up merchant banks, and a number of Italian banks are setting up merchant banking operations in London, which among other things should earn them experience and knowhow in a financial centre where this sort of activity is better known.

If the merchant banks are still only in their initial phase, venture capital has barely got under way in Italy. However, one company, Finnova, has been set up by a group of industrialists, including Olivetti and Mondadori, with the participation of IMI through Ital-Finanziaria, to provide venture capital finance. The difference between venture capital and the merchant banking is that venture capital is more of a high risk operation, involving investments in companies often in their embryo, with a good idea or a product but not necessarily an established market.

The head of Finnova is Sig Jody Vender, a 33-year-old Milan-based financier. Finnova has studied hundreds of projects and so far taken one participation—a 40 per cent stake in Deta Consist, which has annual sales of L20bn in telematics and electronic alarms —though Sig Vender stresses that Finnova's ideal investments would be in companies with L3bn to L4bn turnover. The emphasis is on new ideas and advanced technology.

Sig Vender is a somewhat gloomy prophet of venture capital in Italy. In a speech to a conference on the subject organised by Olivetti (which has had considerable success with venture capital investments in the U.S.) in Venice last summer, Sig Vender spelt out the hindrances to venture capital in Italy.

They were, he said, the very high rate of capital gains tax which would make it unattractive to sell holdings; the fact that tax exemptions favour those who invest in Treasury bills at the expense of equities; the inadequacies of the stock exchange as a place to realise an investment; the lack of interest by big companies in investing to acquire technology; the problems many entrepreneurs have in drawing up a business plan; and their reluctance to admit outside shareholders.

Much of what he said could have been applied to the new merchant banks, their existence is proof of the fact that attitudes and methods in Italian finance are changing, and of a belief that they will change further.

Emergence of significant new growth sector

Leasing

JAMES BUXTON

DESPITE ALL the huffing and puffing of the past few years about the need for the Italian banks to change and innovate, the innovations that have actually occurred have been few. Among those that have, by far the most sweeping and significant has been the growth of leasing.

In many ways Italy is a country peculiarly suited to leasing. Capital is always scarce and businessmen like to be flexible and discreet. A businessman who has a network of leasing contracts for different parts of his operations with different leasing companies—some of them even outside his home town—has the security of knowing that no single finance company or bank has overall knowledge of all his affairs.

Promising avenues

It is no coincidence that it was the foreign banks, which began coming to Italy in large numbers in the 1970s, which gave a major push to the development of leasing, as they did in other areas of banking. This move was immediately matched by Italian banks, many of which realised that in view of the blocked development of ordinary banking operations, leasing, factoring and other aspects of "para-banking" offered some of the more promising avenues of development.

In 1980 Italy ranked as the third country in Europe in the value of new leasing contracts, after Britain and France but ahead of West Germany. Between 1976 and 1981 new leasing contracts grew at between seven and 23 per cent a year in real terms, while the value of existing contracts rose each year by between 14 and 20 per cent.

The major banks almost all set up leasing subsidiaries and the savings banks and other groups of banks formed consortia to enter the new market. Foreign banks such as Barclays set up a chain of leasing companies throughout the country, often in partnership with local banks to create a blend of local knowledge and imported technical expertise.

The biggest leasing company in Italy today is Centroleasing, owned by a complex consortium of savings banks and other institutions. Last year it had leasing revenues of L249bn and leased assets worth L462bn. In second place was Locafit, owned by Banca Nazionale del Lavoro, whose leasing revenues rose by almost 50 per cent in 1982 over 1981 to L227bn.

The classification also showed Barclays Leasing in seventh place, with revenue of L120bn and Citifin, part of Citibank, just behind in eighth place with revenues of L107bn. Barclays Leasing income rose 67 per cent in 1982 and that of Citifin by 77 per cent. Citifin also made easily the biggest profits — L11bn against Centroleasing's L5.5bn and Barclays Leasing's modest L1.7bn. Barclays has suffered the effect of heavy losses made on a leasing contract to a Turin company which went into receivership.

Although the banks are important as owners of leasing companies, major participants in the table include Olivetti Leasing (14th place in 1982) and BMW Leasing (18th), each operating in their specialised fields.

The basic problem the major leasing companies complain about is that the market is now becoming overcrowded. There are considered to be too many leasing companies operating in Italy—about 3,000 at the last count — when one takes into account the great number of small local organisations reflecting a fragmented banking system. They take away business from the big groups. The most recent figures — for the first nine months of this year — show growth in new contracts of 11.6 per cent compared with the year before, substantially below the rate of inflation.

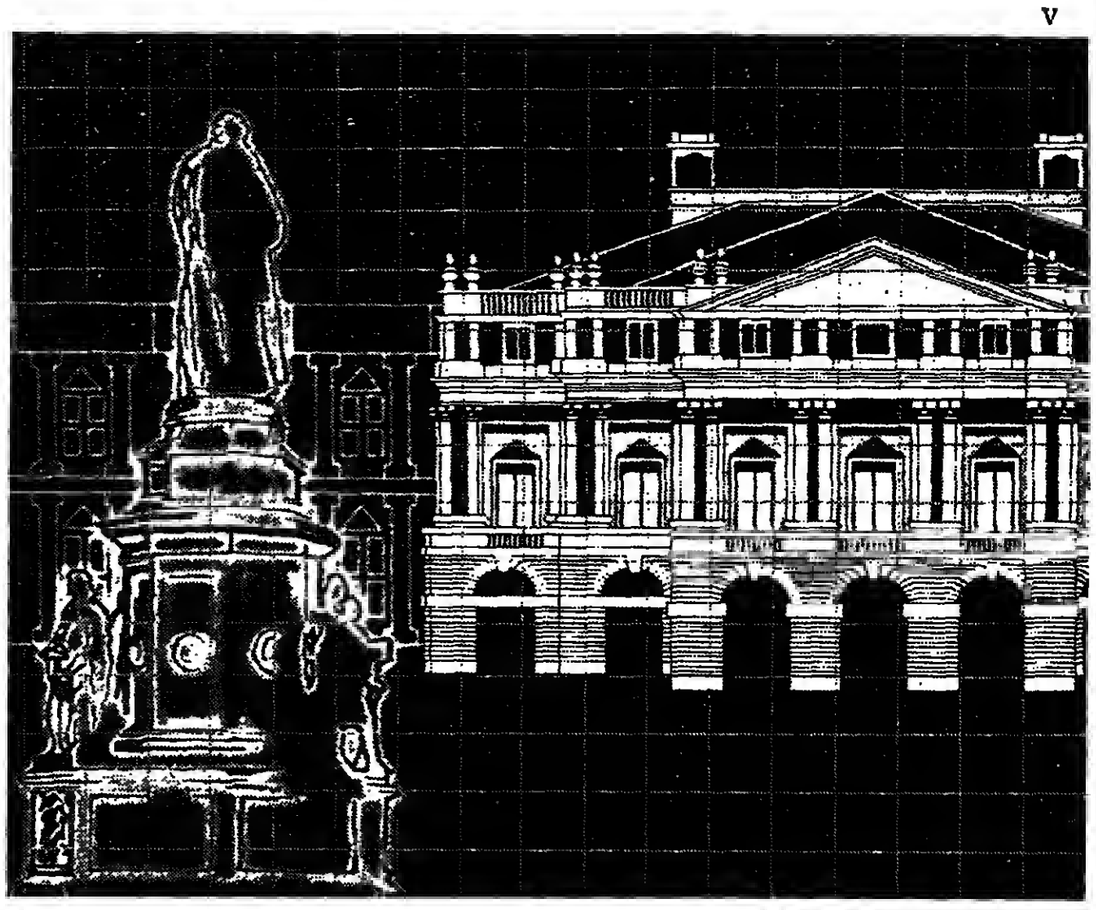
In an increasingly competitive market one possibility for the major companies is to move into more sophisticated forms of leasing. A few weeks ago Locafit announced the creation of Innofit, the vehicle by which it is going into operative leasing. This is the form of leasing whereby the leasing company not only finances the transaction but also handles the insurance, servicing, maintenance and technical control of the asset being leased, whether a computer or a car.

Useful device

With operative leasing the leasing company often reacquires the asset at the end of the leasing period. It is a particularly useful device in fields such as automation equipment where obsolescence can be very rapid but for the leasing company it requires a far higher level of sophistication and managerial time. Looked at another way, however, it could simply be called financed renting.

In any event the leasing companies offering operative leasing need additional know-how and Innofit is a joint venture between Locafit and the French operativa leasing company, Innobail. Innobail is taking 20 per cent of Locafit and Locafit 10 per cent of Innobail but the major transfer is likely to be of knowhow.

The new company Innofit has already made an agreement with Olivetti to set up an operative leasing company and is to do the same with Volvo BM of Italy for the distribution of industrial vehicles and earthmoving equipment and with the Italian importers of British JCB earthmoving machines. In these arrangements the financial backing and administration will be handled by Innofit while the other partner will deal with sales and maintenance.



Milan adds another dimension to Arab Banking Corporation.

Arab Banking Corporation (ABC) is now offering a complete range of international banking services through its recently established branch in Milan as a complement to its offices in major international financial centres.

Located in the heart of Italy's industrial and commercial north, the Milan branch will focus on the strengthening of commercial and financial relations between Italy and the Arab world. It will also further augment ABC's growing international branch and subsidiary network by servicing business requirements in Italy for other regions of the world and by directing business to Italy from its other offices.

Led by a team of experienced professionals with international as well as Middle Eastern expertise, ABC is well placed to provide assistance to Italian companies and to businessmen with interests in Italy by developing business opportunities and by providing financial packages designed to meet specific customer requirements.

Founded in 1980, ABC has maintained a steady pace of growth through commitment to diversification of its product lines and to the establishment of a permanent presence in the key financial markets of the world. Supported by an equity of approximately US$ 1 billion and by total assets on 30 June 1983 of slightly over US$ 8 billion, ABC has a solid base for continued growth and expansion.

The Bank with performance and potential.

Milan Branch: Via Santa Maria Fulcorina 6, 20123 Milan. Telephone: (02) 801.131. Telex: 322240 ABC MIL.
Head Office: Bahrain. Branches and subsidiaries: New York, London, Singapore, Grand Cayman, Frankfurt, Monte Carlo.
Representative Office for Continental Europe: London.

Only one international banking group in the world is supported by every Arab country.

Twelve years ago, the concept was created of a banking group of a kind the world had never seen before.

A group in which every Arab country would participate with a major and significant banking presence.

A group which would then forge partnerships with major banks in the world's financial centres, so as to smooth every possible path to trade between Arab countries and the outside world.

Today, that group is a thriving reality.

All twenty-two Arab countries are fully represented through twenty-six Arab institutions.

And twenty-three of the world's greatest concerns add their full weight to our common purpose.

This makes the AL UBAF Banking Group unique. It means that any corporation seeking to do business with any part of the Arab world is almost certain to consider us as a business partner.

However, there is considerably more to the AL UBAF Banking Group than our undoubted ability to open doors.

The Group's banking activities are unusually diversified, and remarkably successful by any standard.

You would naturally expect us to be strong in the Money Market. We are. In 1982, turnover there alone was $300 billion.

Perhaps less obvious were our Total Footings which, in 1982, reached $14 billion.

Foreign Trade turnover totalled $6 billion. And the Group was lead manager, co-manager and participated in numerous syndicated loans to the value of $62 billion.

These, frankly, are performance figures which give the Group the right to be considered as a primary partner in any dealings with the Arab world.

It's business, of course, but to us it goes beyond business.

And as our record shows, it works.

اليوبافـ
ALUBAF
BANKING GROUP

Bahrain	ALUBAF Arab International Bank E.C.
Hong Kong	UBAN International Limited.
London	UBAF Bank Limited. UBAF Financial Services Limited.
Luxembourg	UBAF Arab German Bank S.A. Branch in Frankfurt am Main.
New York	UBAF ARAB AMERICAN BANK Branch in Cayman Islands.
Paris	Union de Banques Arabes et Françaises–U.B.A.E. Branches in Bahrain, Seoul, Singapore, Tokyo.
Rome	UBAE Arab Italian Bank S.p.A. Representative Office in Milan.
Beirut	Representative Office.
Cairo	Representative Office.

RONCAGLIA OPR: SPACE AGE TECHNOLOGY FOR GRAIN MILLING

Ever-increasing energy costs compel the flour milling industry to give serious consideration to the daunting economic prospects involved in a new plant - buildings, fuel, transportation and services.

In many instances, the returns associated with conventional mills do not warrant the investment because of the inevitable tying-up of capital for long periods. But, now there is a solution that solves many of these problems. It is the Roncaglia OPR System, internationally patented.

As the world moves towards the 1990's, the Roncaglia OPR System meets the challenge of this decade by giving the flour milling industry a concept of production enjoyed by many since 1953 that at the same time meets the need for space-age technology.

Roncaglia OPR mills can be part of an existing plant or they can be "turnkey" operations from cereal intake to final packing and bulk handling.

Roncaglia OPR mills can be housed with a minimum of fuss in any simple building of 5 metres height. They can be producing flour from wheat as from maize, oat, barley, rice, rye, sorghum, millet in a matter of months from first ordering the plant. Even mills as large as 500 m.tons of wheat per 24 hours capacity average only 12 months from inception to full production.

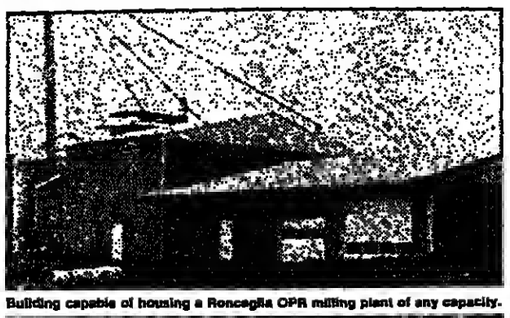
This speedy completion of the project is entirely due to the unique Roncaglia OPR Milling System.

The first consideration is the elimination of the plansifter which requires large buildings with conventional installations. This need has been overcome by the patended air-sifter, which uses air currents and a simple sieve. The air-sifter obviates the need for the multi-storey concept, thus making economic considerations viable.

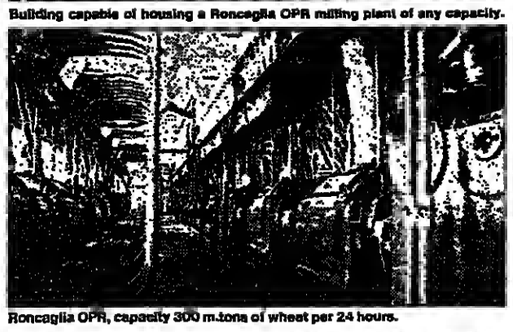
The Roncaglia OPR mill of whatever capacity can be housed in any simple building of five metres clear height. It is the only mill that can be built up from a small initial unit, or can have a number of units running side by side, milling different cereals. It is the only plant that does not need considerable remodelling for changes in flour specifications. No other mill-building company can guarantee its products for 10 years nor can anyone assure a break roll life of as long as six to eight years without refluting. It reduces maintenance to minimum levels and offers economies in staffing. The concept of large buildings inevitably means high energy and maintenance costs on top of the cost of the construction itself. Site selection and preparation can involve much expense and difficulty, especially if there are environmental complications.

The Roncaglia OPR System eliminates many of these difficulties, not needing much more than a simple foundation for a portal framed structure that complies with regulations of planning authorities. In many instances, it saves up to 70% in capital costs.

Every Roncaglia OPR System, whether large or small, includes erection and commissioning expenses, and training of staff to operate the mill effectively. To ensure confidence in the investment, Roncaglia has a comprehensive after-sales service to achieve the highest level of production at all times.



Building capable of housing a Roncaglia OPR milling plant of any capacity.



Roncaglia OPR, capacity 300 m.tons of wheat per 24 hours.

If you wish to know more about Roncaglia OPR technology send to the coupon

We kind request to receive detailed information regarding the features of Roncaglia OPR Mills

Name

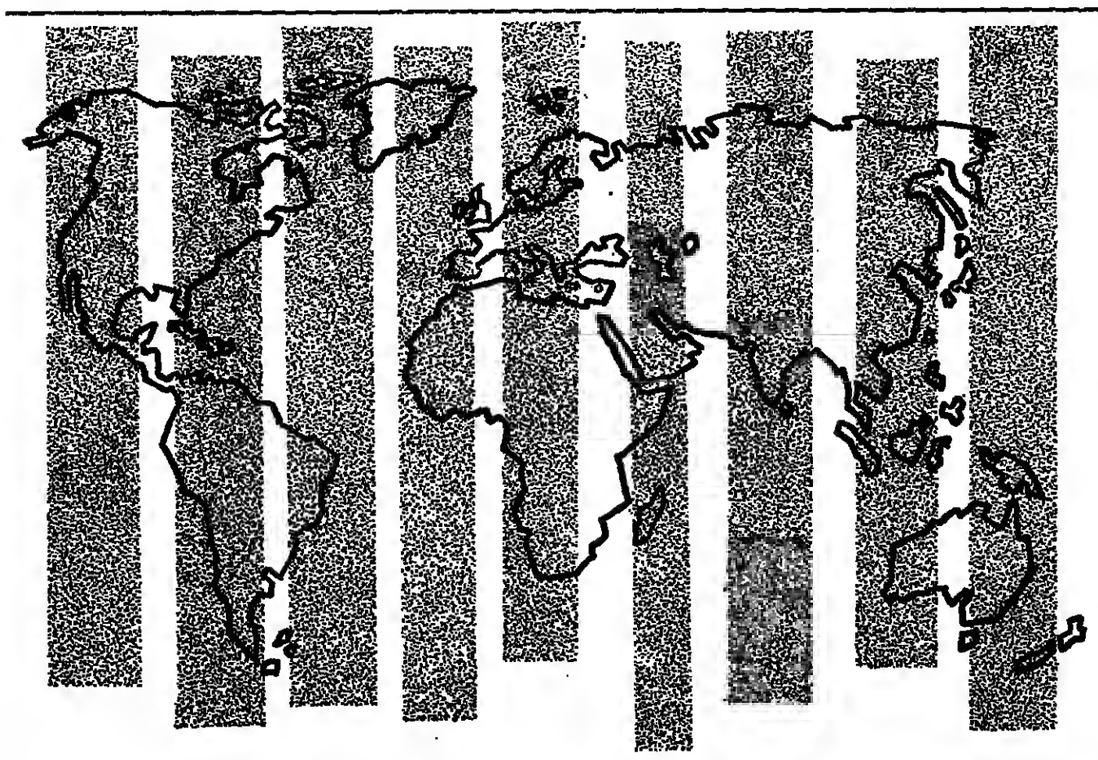
Company

Town

Country

Phone

RONCAGLIA OPR
Engineering Works,
P.O. Box 519, 41100 Modena, Italy
Phone: 39-59-218899 (Series) 218551 (Series)
Telex: 213384 216089 510169 RONCAL I



To handle your business with banking capability and skill

500 Branches in Italy.
Subsidiary, Branches and Representative Offices located in Luxembourg, Buenos Aires, Brussels, Frankfort on the Maine, London, New York, Moscow, Paris, Sofia and Zurich.

CORRESPONDENTS THROUGHOUT THE WORLD

BANCO DI NAPOLI
FOUNDED IN 1539

LONDON: P.& O. BUILDING, LEADENHALL STREET EC3V 4QQ
NEW YORK: 277 PARK AVENUE, N.Y. 10017

ITALIAN BANKING VI

High cost of borrowing worries small businesses

MICHAEL GRIFFITHS, who runs a small business in Perugia, explains the financial problems which small and medium-sized businesses face and the inadequacies of the Italian banking system in overcoming them

THE CRACKS are beginning to appear in a vital part of the Italian economic structure. The small and medium-sized businesses, which account for more than half of the industrial production and nearly half of Italy's exports are facing sharply declining profitability, they are also finding it hard to finance their losses out of their own resources.

The immediate causes are the recession and the high interest rates of the past two years. But these factors are accentuated by the underlying financial weaknesses of many small and medium-sized companies: too great a reliance on short-term credit, the inadequacy of state schemes for assisting small businesses with their investment needs, and the difficulty of finding lower cost medium-term finance to ease the high cost of short-term finance.

The Italian small businessman has been caught unprepared, since the basis of his success in the past—expanding world markets and lower cost money—no longer exist.

Small and medium-sized businesses play a crucial role in the Italian economy, giving jobs to nearly 8m people, half the total workforce. They have expanded employment in an impressive way in the past 10 years: according to the Istat census, firms employing between 10 and 99 employees increased in number by 44 per cent, providing 43 per cent more jobs.

Higher losses

But an analysis by Mediobanca of 270 medium-sized businesses shows a sharp increase in their losses between 1981 and 1982. This result is confirmed by another study of the important Emilia-Romagna region where profit forecasts for 1983 show serious downturns—a blow to those who look to the Emilian model of the small business as an example of how they can prosper in a developed industrial economy.

The task of small businesses in responding to this changed environment, which places much more importance on self-financing and the need for lower cost medium-term finance, is made more difficult by the complex nature of Italian short-term credit.

An underlying characteristic of the Italian small businessman is that he has probably invested everything he has in his business with an over-emphasis perhaps on bricks and mortar to the exclusion of research and technology. Here he has not been assisted by the banks' insistence on his providing "solid" guarantees for his credit lines.

While profits continued to be satisfactory he had little need for short-term borrowing. When profits started to decline he had little alternative but to increase bank overdrafts to finance working capital, and here his problem begins. By background and experience he has little financial experience and his problems are further compounded by the fragmentation and complexity of the Italian banking system.

It is not unusual to find a small company with overdraft facilities of say L100m (about £40,000) spread between eight or 10 banks. His bargaining power to obtain best rates is thus reduced and he will be lucky to get an overdraft at a base rate under 23 per cent.

Even this does not represent his true cost. If he goes over his overdraft limit he will be paying three to four points above his base rate on the excess. Further, he will pay a 0.125 per cent commission on the maximum sum he may be overdrawn. If for a few days a £10,000 overdraft goes to £15,000 he pays the commission on this sum.

The cost of money is further increased by the Italian system of "Giorni di Valuta" (value days) where an account will not be credited with the amount of a cheque from a bank outside that region for seven or eight days after it has been deposited (two or three days for a local bank cheque).

The result of all these factors will be to increase a base rate of 23 per cent to at least 28, if not 30 per cent.

Interest charges as a percentage of turnover have for many small Italian companies reached alarming levels.

It is a common complaint of Italian small businesses that Italy does not have a clear investment policy for small medium-sized businesses. Legislation is fragmented and characterised by many different schemes and bureaucratic procedures which discourage the small businessman. Moreover, legislation favours the large state controlled company, and Confapi (the Italian small business association) quotes the fate of a major state initiative for industrial reorganisation, Law 675, which allocated L11,000bn (£4.6bn) for industrial reconversion schemes.

Some 20 per cent of these funds were allocated to small businesses but only L10bn was actually used for this purpose. Over 70 per cent of funds, say Confapi, went to large state-controlled companies, mostly to finance losses or maintain uneconomic workforces, and the rest to the Mezzogiorno, Italy's backward south. But all these "payments" have been made only in theory: no funds have yet been paid.

Subsequent schemes, like Law 46, favouring investment in specified high technology sectors, have again failed to finance investment in small/medium sized businesses. There is a major and urgent need, concludes Confapi, to restructure the system of investment finance for small businesses.

More comprehensive

While recognising the important role played by the Mediocredito (Italy's medium term investment and trade finance organisation) in providing funds for investment in fixed assets at all levels of Italian industry, Confapi see the need for a more comprehensive approach to credit for small businesses whether short, medium or long term.

At the local level there exist over 50 consorzi api fidi (small business credit consortia) who until now have been mainly concerned with short-term financing schemes, usually with an upper limit of L50m, repayable within one year. The consortium consists of local small businesses who each guarantee for a fixed amount the loan, which has to be approved by a committee of members, plus the local bank providing the funds.

The local regional government, chamber of commerce and local branch of the Mediocredito make an annual contribution to a risk fund, which, the individual firm guarantees, leaves the bank with between 50 and 70 per cent of the risk involved. Throughout Italy these 50 consortia today have loans granted of about L1000bn (£416m).

Another important initiative at local level has been to agree base interest rates with local banks for members.

A recent initiative of Confapi has been the formation of a national association, the Unionconfidi, of all the consortia with a view to coordinating their activities, to improving the bargaining power of small businesses with credit institutions at national level, and, most significantly of all, to tackling the question of medium-term finance for small businesses.

The lack of medium-term finance for small business is one of the major credit problems which they face. The difficulty exists because local Italian banks are not able or willing to grant medium-term loans, and the medium-term finance requirements of many Italian small businesses are too small to be of interest to international banks, who are also restricted territorially from working in most Italian regions.

Some API consortia have recently entered the medium-term finance sector granting two- to three-year loans of up to L250m (about £100,000). These will complement finance for fixed assets obtained through credit institutions, like Mediocredito, and are allocated for development plans which also include investment in research, training and commercial activities.

They also complement the finance available through the European Investment Bank.

At the annual general meeting of Confapi held in Rome on November 26, the association presented some far-reaching proposals for restructuring and improving finance for small businesses. The most fundamental proposal has been a call to the Government to create a fund of L2000bn (£832m) for small businesses not employing more than 150 employees who intend to make investment of not more than L4bn in plant and equipment, L1.5bn in industrial conversion and L1bn in modernisation and reorganisation schemes. Loans would be repayable in seven years, and, according to Confapi, could enable small businesses to create up to 30,000 new jobs.

Would such a scheme meet the fate of Law 675? Not if the government will recognise the importance of small businesses by approving such a fund, since, says Sig Giannantonio Vaccaro, president of Confapi, "One of the most hopeful signs recently has been a new awareness on the part of politicians of the importance of small businesses, and that they require special consideration when it comes to state approval of investment funds."

Indeed, the politicians participating at the meeting indicated that something would be done. If there is a change in attitude it could represent a major turning point for small businesses in Italy.

PROFILE: KEN BROMLEY

Barclays man in Milan

Ken Bromley, head of Barclays Group Italia — "important to have enemies"

KEN BROMLEY *must be the* best-known Mancunian on the Italian banking scene. As head of the versatile Barclays Group Italia, *the jovial Mr* Bromley has been a fixture in Milanese financial circles for *nine years. He is married to* an Italian he met while serving in the British forces in 1946 ("I met her in Rimini and we *married because* I wanted to ensure the future possibility of holidays by the sea.").

Mr Bromley originally went into banking (he first joined the old Martins Bank in 1939) to "*fill a gap before going* into the forces." His marriage in 1946, Mr Bromley recalls, marked "the first time of *many that I broke* bank regulations." His sin was to marry without obtaining the bank's permission as, believe-it-or-not, was required in those days. (All was made good later on when he received a letter from the board of directors providing him with approval "with retrospective effect.")

By 1969, Mr Bromley was in the Liverpool head *office of* Martins, co-ordinating the bank's absorption by Barclays. In 1971 he moved to Lombard Street as a Barclays divisional general manager in charge of marketing. In 1975 Barclays decided to take advantage of *Italophilo Bromley and* asked him to move to Milan in order to develop its then 52 per cent interest in the small Banca *Castellini of Milan* (Barclays secured 100 per cent ownership in 1980).

When he arrived in Milan, Mr Bromley found a staff of 40 and L10bn of outstanding loans. Today Barclays Italia has 800 employees in 21 cities and a group loan book *of around L1,700bn (£711m).* In 1978 the Bromley approach led to a long-term programme of expansion. "I didn't see us as just a bank but as a financial services company. We never concentrate on just one thing."

So Barclays today is involved in leasing, factoring, corporate finance, mergers and acquisitions work, consumer credit and medium-term lending as well as traditional corporate banking. One competitor rated Barclays in Italy as "one of the most successful foreign banks to penetrate the Italian market."

Not all competitors heap praise on Barclays. There are still sneers about the 1981 *leasing embarrassment* which resulted from the group's involvement with a machine tools company whose president is now under criminal investigation. Although the matter has still to run its course, it is likely to result in write-offs of £10m to £15m.

Mr Bromley, who has been *asked by headquarters* in London to stay on until next year even though he is past retirement age, makes no apologies for the leasing fiasco. He takes the "you can't get everything right" approach and reckons it is "important to have enemies —it means you are doing something right."

Although he plans to return to Britain next year, he won't be kept from frequent visits to Italy. "I like living in Italy and Milan is the only place to be," says the ardent Italophile.

ALAN FRIEDMAN

CREDITO ROMAGNOLO
Joint-stock Company
Presidency and Head Office in Bologna
BANK FOUNDED IN 1896

Balance sheet as at December 31, 1982
(in billion lire)

Managed funds	8.160
Customers deposits	5.759
Loans	3.283
Capital and reserves	527
Net profit for the year	28

Credito Romagnolo ranks 16th among the banks in Italy and has 186 branches located in centres of relevant economic importance, such as Bologna, Ferrara, Firenze, Forlì, Mantova, Milano, Modena, Parma, Pesaro, Piacenza, Ravenna, Reggio Emilia, Rimini, Roma.

Credito Romagnolo is continuously improving its organization by means of direct connections with national and international Corporations and Institutions, which are mostly advanced in the telecommunication of funds transfers as well as of economic and financial information.

ITALIAN BANKING VII

Crucial role as guide to the economy

Bank of Italy

JAMES BUXTON

THE BANK OF ITALY has always been by far the most important institution in the running of the post-war Italian economy. As governments come and go, and display their habitual reluctance to take economic decisions that might hurt anyone, it has fallen to the central bank to guide the economy as best it can with the weapons of monetary and credit controls.

Rarely has the central bank's role, however, become as crucial as it is today when the major economic issue is the Government's deficit and the colossal borrowing that is required to finance it. In recent weeks the Governor of the Bank of Italy, Dr Carlo Azeglio Ciampi, has been in an unusually exposed position. Almost every comment of his on the Government's economic policy is likely to make a newspaper headline.

Last year the public sector deficit amounted to L71,000bn ($93.29bn) or nearly 16 per cent of gross domestic product. This year it will be L90,000bn or 17 per cent. The target for the next year, which on current projections will not be achieved, is 15 per cent. The Government's insatiable appetite for funds means that it takes about 70 per cent of total domestic credit. The central bank is caught uneasily between the need to help the Government obtain funds and to protect other borrowers and the currency as a whole.

In 1981 the Bank of Italy was officially "divorced" from the Treasury, which meant that it was no longer obliged to buy up the Treasury bills which the Government fails to sell at auction. Nevertheless, it continued to do so within reason, and did what it could to point banks in the direction of the Treasury bill auctions, for fear of something worse—a jump in interest rates.

Dr Guido Carli, who was Governor of the bank for 15 years until 1975, told the bank's annual meeting in May 1974 that for the central bank to refuse to finance the public deficit would be "a seditious act."

At the end of last year, however, the bank showed what the divorce really meant. It exercised its right not to buy up all the Treasury bills which the Treasury wanted to sell desperately. As a result, the Treasury found itself needing to exceed the 14 per cent overdraft limit with the central bank which is laid down by law. The Bank of Italy was then able to demonstrate the whip hand it had over government finance.

It obliged the Treasury to go to parliament, explain the situation of gross overspending, and ask it to pass an Act of parliament obliging the Bank of Italy to exceed temporarily by L8,000bn its lending limits to the Treasury. Although several commentators urged members of parliament to refuse to pass the legislation, there was never a serious chance of that happening and it was not Dr Ciampi's intention. Rather, he had succeeded in showing the bank's teeth and perhaps making it that much more difficult for the Treasury to get out of such a jam again.

Even so, this year the central bank has had to raise the ceiling of the growth of total internal credit from the 18 per cent set at the beginning of the year to 21 per cent as the Government's deficit has overshot the original target of L71,000bn by about L20,000bn. There are those who believe that if the bank took a more ruthless attitude and refused to allow total internal credit to expand as the deficit rose, thus raising the spectre of a frightening leap in interest rates, the Government would be forced to do what it has always shirked doing and actually cut its spending.

It can be questioned whether the central bank has the institutional and moral authority to do so. In any event, a stern but ultimately flexible approach is perhaps more appropriate to the country in which it is operating. So delicate is the situation, however, that Dr Ciampi cannot help being involved in public controversy almost everytime he opens his mouth and there are not a few politicians, including ministers, who believe that the divorce between the bank and the Treasury ought to be cancelled and the bank made subservient to the Treasury.

More rigid

For 1984, however, the Government appears to be committing itself much more rigidly than before. The budget statement says that the growth of the monetary base and of M2 must be kept within 12 to 14 per cent. "These objectives must be announced to the public and thus become fully verifiable," it says.

This means, at least in theory, that the Bank of Italy will have more support for a tighter monetary policy and that if the Government overspends, interest rates will go up as the Treasury competes with the private sector for funds.

Dr Ciampi's polite response to this, as expressed in a speech in Venice in October, was that the monetary targets would be met if the Government kept to its spending targets and introduced its promised incomes policy. He also said that the bank would, as usual, judge monetary growth by taking into account several indicators rather than just one. Indeed he held out the hope that if the Government did what it said it would do, there was, for the first time in years, a chance of getting Italian inflation down into single figures.

That was a kind of carrot, for a few days later the Government used the occasion of the launch of the Bank of Italy's first bulletin to indicate frustration at the lack of action by the Government in pursuing its declared economic objectives. A little later the International Monetary Fund spelt out its own frustration a great deal more strongly in a letter to the Treasury Ministry.

The new bulletin is one of the best contributions the bank has made to the understanding of the Italian economy. Its research department is really the only official organ in the country that knows what is going on in the economy. It is happy to speak to outsiders but the bulk of its wisdom has hitherto been dispensed in the turgid and bulky annual reports of the bank, which come at each May.

The bulletin, which will come out twice a year, in autumn and spring, with the annual report making a third, bumper summer issue, is more condensed, readable and better presented, with excellent summaries of key issues such as wage indexation. It makes the research department's knowledge suddenly accessible.

Dr Ciampi, who is 63, has been Governor of the Bank of Italy since 1979. He took over after the notorious Bank of Italy affair, when politically-motivated magistrates, representing mysterious and sinister interests, made a violent assault on the bank in an attempt to shatter its moral authority and lofty independence of the Italian political scene. This was done by making legal charges against the then Governor, Dr Paolo Baffi, and Dr Mario Sarcinelli, a senior official of the bank. Dr Sarcinelli spent two weeks in prison.

The charges were completely trumped up and later dropped, and the bank's independence was not impugned. But its self-confidence was shaken and it has become very sensitive to criticism of its role in the affair. Its self-confidence was shaken. Dr Baffi resigned, an embittered man.

It may have been because of this weakened morale that the central bank hesitated for so long before taking decisive action against Sig Roberto Calvi, chairman of Banco Ambrosiano, before his bank crashed in 1982 with debts of $1.3bn. Although the central bank acted swiftly and decisively after the crash the incident did not enhance its reputation and it has become very sensitive to criticism of its role in the affair.

Nothing that happened over Banco Ambrosiano can have encouraged the central bank to loosen the stern and highly detailed controls that it exercises over the Italian banking system, a control that does much to keep the system inefficient and complacent, but which is evidently necessary because of the abuses that still occur. Indeed the Ambrosiano affair showed the bank with its guns pointing to some extent in the wrong direction: its otherwise formidable battery of controls did not include provisions to make banks disclose their ownership structure, nor are Italian banks required to produce consolidated accounts.

Both provisions would have made it a great deal more difficult for the transgressions of Sig Calvi's bank to go undetected so long. A Bill to force banks to reveal shareholders with more than a certain percentage of their shares was presented to parliament in 1982 after the Ambrosiano crash, but failed to be approved. It has now been represented in the new parliament.

PROFILE: GUIDO VITALE

Banker who shuns limelight

"In 1973 I found myself in the street, with 12 fellow executives on my back. So I decided to form my own company."

WITH THESE blunt words Dr Guido Vitale, managing director of the Milan-based Euromobiliare investment banking group, explains how he created a new animal in Italian finance. He found himself "in the street" because he was unwilling to work for the notorious Michele Sindona, convicted Sicilian tax lawyer and mentor to the late Roberto Calvi, who took over a company which Dr Vitale was running back in 1972.

Today, Euromobiliare is a publicly-quoted company with 70 employees and paid-in capital of L7.5bn ($4.6m). It is not a major force, but like the early New York investment banks it is lean and hungry. The Euromobiliare operation is involved in stockmarket financing, mergers and acquisitions, syndicated loans and is one of the very few Italian players in the Eurobond market.

Dr Vitale, who is 46-years-old, has earned the respect of many in Italy and abroad. He is hard-working, imaginative and energetic, shunning the pomp of the Milanese cocktail circuit and preferring the serious business of deal-making instead. Perhaps he is not accepted entirely as an insider in the Milanese financial elite, but this does not appear to bother him.

Fulbright scholar

Born in Piedmont, he spent his childhood in Egypt, where he attended English, French and Italian schools. He returned to Turin in 1952 and completed his education and military service. In 1961 he became a Fulbright scholar at Columbia University, where he did postgraduate work in economics. He started his career at Mediobanca, the granddaddy of all Italian investment banking. Later he became an auditor at General Electric and in 1968 he was asked by Olivetti's De Benedetti family to run a small listed company which he built into a financial services group.

When he started Euromobiliare, it was with the backing of some of Italy's most prominent industrial families, including the Agnellis of Fiat fame and the De Benedettis. "My idea was to develop a merchant banking business in Italy. We are a company which provides the special services of a bank without being a bank," explains Dr Vitale.

At first the small band of Vitale recruits concentrated on stockbroking, money market dealing and Eurobonds. From the start, Dr Vitale went against the norm in Italy—for example, he insisted on audited accounts from companies obtaining a quote on the Milan bourse. Euromobiliare went public in 1981 with 20 per cent of the shares issued at L3,000 apiece. The shares now trade at around L4,500.

Dr Vitale's empire has grown in the last year with his merger with Confindi, a Milan fund manager which is cash-rich. The new teamwork should provide more scope for progress toward Dr Vitale's dream—to become a "bona fide" merchant bank.

The main criticism levelled against Dr Vitale by his friends and colleagues is that he works too much. He is by his own admission a workaholic, spending 10 to 12 hours a day in the office. Married, with a wife who is a psychoanalyst, and two daughters, Dr Vitale spends little time away from his beloved Euromobiliare. "I like to think I would enjoy country life, but I never seem to have time," he sighs.

The prizes of Italian public life do not seem to hold much attraction for him, either. When, a few weeks ago, the Italian press mooted his name as a possible candidate for the chairmanship of Consob, the Italian stockmarket authority, Dr Vitale's reaction was typical: "What would I do about Euromobiliare? Who would run it?" He wondered aloud. No, not for Guido Vitale the limelight. He has a business to run.

ALAN FRIEDMAN

Banca Popolare di Novara

As at 31st December 1982
Share Capital Lit. 18,843,323,500
Reserves and Funds Lit. 659,005,861,036
Fund for Bad and Doubtful Debts Lit. 73,275,157,034
Deposits with the Bank over Lit. 13,198 billion.

378 Branches in Italy.
Branch abroad: Luxembourg
Representative Offices in Brussels, Caracas, Frankfurt am Main, London, Madrid, New York, Paris and Zurich.
Adviser in Moscow.

From here, we serve you Italy-wide

An area that counts in Italy, the North-East, is blanketed by our branch offices.
Our organisation operates in all corners of Italy; which also count.

Banca Cattolica del Veneto

New York, 5 years later.

London, Frankfurt a. M., New York. Five years from the opening of the New York Office, our operations in the world's most important financial markets have been strengthened still further with the inauguration of

the new Branch in New York:
350, PARK AVENUE
NEW YORK N.Y. 10022
☎ (212) 7585040 TWX 7105814445.

Banca Popolare di Milano
Milan's greatest private bank operating all over Italy

Banco Lariano and Lombardy: your connection with the largest business area in Italy.

If you do business with Italy you will know Lombardy, where a good third of the Italian industrial output and international trade originates.
There you will find Banco Lariano.
4,235 billion Lit. (overall deposits).
3,459 billion Lit. (investments and advances).
329 billion Lit. (capital and reserves).
A solid partner for your business with Italy.

BANCO LARIANO

Head Office - International Division
Milan - 10 via U. Hoepli
tlx 312.298 BLARMI - 380.415 BLARFX (FOREX)

Bancomat network leads in Europe

Retail banking

ALAN FRIEDMAN

THE GREAT anomaly of Italian retail banking is that while the street-level service provided to the average customer can be slow and inefficient, the system as a whole has achieved a technological breakthrough which is not yet available to customers in Britain or West Germany — an integrated nationwide network of cash dispensers.

The Bancomat cash dispenser network was launched last spring and now has a total of 600 automated teller machines (ATMS) operating throughout Italy. The ATMS, act strictly as cash dispensers in the Bancomat system; several of the participant banks offer an expanded range of ATM services to their customers only. In all, some 1,000 dispensers are expected to be in place by next year.

The Bancomat system, arrived with the gentle nudging of the Bank of Italy, marks the first unified network among Italy's 1,085 different banking institutions. It is no small achievement in a country which has traditionally had a fragmented and regionalised banking system.

One of the more difficult obstacles towards achieving this unity was the reluctance of the major banks — such as Banca Nazionale del Lavoro and Banca Commerciale Italiana — to link up with the many tiny Casse di Risparmio (savings banks), which meant providing even one-branch banks with a national network. There are 12,853 separate branches up and down the 1,000-mile Italian peninsula and in many areas a small village bank can monopolise deposit taking at the expense of the big banks.

The first group of banks to develop an ATM network was the savings banks, which in 1980-1981 introduced the Carismat system. Thus, in the words of one bank analyst, the Bancomat system is as much a "political as a technological decision."

The simple reality is that despite Italy's leap into the space age of electronic cash dispensers, its banking culture remains some years behind the rest of Western Europe (as is the case in other southern European countries such as Spain and Portugal). For one thing, Italy is not a cheque-based country. According to a recent study of Italian retail banking in "The Retail Banking Revolution," fewer than 50 per cent of Italian households have cheque accounts. This despite the fact that current accounts pay interest at the same level as deposit accounts in Italy. Deposit rates are not published in Italy—you simply shop around and try to negotiate a rate with your bank manager.

Cash transactions

Italy is a cash-based country —around three quarters of all transactions are made in cash and less than a fifth by cheque. Only four per cent of transactions are made by credit card. A study commissioned this year by the Italian Bankers' Association (ABI) showed that almost 40 per cent of car purchases and 65 per cent of home appliance purchases are made in cash.

Even where families have cheque accounts they often use them as savings accounts, going to the bank and drawing out large wads of cash rather than paying by cheque at shops and restaurants. Cheque guarantee cards do not exist as a nationwide concept. Whereas there are more than 14m in circulation in Britain, Italy has around 1m. Only 150 of the 1,085 banks initially accept cheque guarantee cards. Moreover, presentation of a cheque guaranteed card at a shop by no means implies that the merchant will accept a cheque.

As for credit cards, there are around 1.7m in circulation. Banca d'America e d'Italia, the wholly-owned BankAmerica subsidiary, dominates with 1.2m cards. Eurocard, which is marketed most aggressively by Credito Italiano, is a distant second with 230,000 cards. Following behind are American Express, Conto d'Identita and Diners Club. But Italians, except for bankers and businessmen with international experience, do not seem to like using credit cards. Merchants in particular do not encourage the use of cards, frequently turning their noses up at the sight of a plastic card and offering a 5 per cent discount on the purchase if the customer will opt for cash instead.

Many Italian bankers would prefer to see the system move away from its costly dependence on cash. Likewise the Bank of Italy is keen to see further progress in this direction. But the Government is, for historical reasons, not in a position yet even to set an example—around 2.5m state sector employees are still able to collect their monthly wages in cash and more than 50 per cent do just that.

Throughout Italy civil servants, teachers, police, hospital workers and a variety of Government employees queue up each month for their wages in cash. Assuming a median salary of L1.2m a month, that is a monthly wage bill of L3,000bn (£1.26bn).

Direct transfers

The Italian Bankers' Association has recently been holding a series of talks with the Bank of Italy to explore proposals to shift towards a system of direct tarnsfers into bank accounts for Government employers. The stumbling block is more political than technical, however, as it would require a new law to be passed. Part of the proposal involves the banks suggesting that if they were to co-operate the Government would guarantee them a three-day float on the payroll, not a bad quid pro quo at all for the banks.

The concept of a float of interest-free funds for the banks is a key aspect of Italian banking. Italian banks are notoriously slow in clearing cheques, even within the same city. It is not unusual for a cheque to take eight to 10 days to clear and delays of up to one month are not uncommon either. In fact the very inefficiency of Italian banking is a kind of in-built profit generator. "I'll be frank. We make a lot on the float," admitted one Milanese banker.

Although banks may be highly automated within their own branch networks, a national interbank teleprocessing system has yet to become a reality. In other words, customers can often find themselves at the mercy of Italy's postal service, which is not exactly brilliant—partly perhaps because of the mountainous and lengthy terrain of the country.

The Bank of Italy is trying to expedite the drive towards an integrated teleprocessing system by participating in the Convenzione Interbancaria per I Problemi dell'Automazione (CIPA), the interbank committee on automation problems. If the interbank consultations are successful, Italy could find itself making more progress (edmittedly from a lower base) than some of its Western European counterparts.

This is the hope of many bankers when it comes to both the Bancomat network and interbank automation. As one Bank of Italy official put it: "Perhaps we can turn our traditional cultural problems to our advantage and jump two steps, from a cash-based system directly to automation. ATMS and even electronic funds transfer at the point of sale."

That looks a trifle optimistic. Although point-of-sale experiments are under way in Italy, they in no way compare in scope to the pilot projects already in place in Scandinavia, Britain and France.

Consequences of shift in Treasury funding

Money markets

CHARLES KENNARD

ITALIAN BANKING is a conservative world in which old adages never die, and seldom fade away: a case in point is, the adage that says the more things change, the more they remain the same.

The "Massimale," a central bank corset on bank lending, was formally abolished at the end of June. Setting monthly and annual limits on the expansion of each bank's lending (14 per cent a year for 1983), it was enforced by a system of penal deposits called by the Bank of Italy from banks which lent too much.

It was highly unpopular with the foreign banks established in Milan over the past 10 years, who believed its abolition would finally allow them to get their teeth into the fat or sluggish and over-protected domestic competitors.

Money brokers, too, looked to its removal to stimulate a range of business from interbank to Certificates of Deposit as rapidly expanding foreigners borrowed in the markets to make up for their small deposit base.

Of course, it didn't happen. In the days immediately after the phasing out, each bank received a letter from the Bank of Italy advising it with gentlemanly persuasion to stay within the 14 per cent guideline. But that was not all.

"They called us in, bank by bank, and gave us each a figure for our lending for the rest of the year," one American banker recalled recently. "They were precise down to the last lira and cent, and I do not know a single case that was not between 13 and 15 per cent."

The Massimale, in short, has not been abolished, foreign bankers say. The only thing that has changed is that they no longer know what penalties they face for transgression. And they also do not know yet what they will be allowed to do next year.

Take, for another example, the ever-burgeoning state deficit and the crowding out of the private sector from Italy's capital markets.

In the past three years successive governments have pledged top priority to stabilising the public sector borrowing requirement, despite which it has nearly trebled to more than L90,000bn this year.

Bank of Italy figures show that public sector issues monopolised 95 per cent of the primary markets in the first nine months of this year, compared with an average 25 per cent in the early 1970s.

With clinical and practised skill the monetary authorities have aborted every attempt to nurture alternatives to the market in Treasury securities.

Yet, if the basic rule of the Milan market remains necessarily a quasi-vital servility to the appetites of the Treasury Ministry, it would still be wrong to say that nothing in the past year has changed.

Efforts by the monetary authorities to restructure, if not reduce, the national debt are yielding technical consequences which money market operators and monetary economists are still digesting.

Since the end of last year the Treasury, acting through the central bank, has successfully shifted the bulk of its new borrowing from short-term Treasury bills to medium-term Treasury certificates.

One practical consequence, according to bankers, has been the effective demise of secondary trading in Treasury bills, for years the staple of the Milan money markets.

Another, more theoretical, according to Prof Mario Monti, Italy's leading monetarist who teaches at Milan's Bocconi University, has been a radical distortion of published money supply figures.

Prof Monti and others point out that none of the normally-watched money supply series from M1, through to M3 includes the rapidly expanding Treasury certificate issue.

Since Treasury certificates, issued with maturities ranging from two to seven years, pay half-yearly interest based on six months Treasury bill yield, it would be proper to regard them in monetary terms as being at least as liquid as six-month paper, the argument goes.

The inference is that monetary policy is substantially more accommodating (at least to the state sector) than published statistics show and although this is hotly disputed at the central bank, market experience and the facts of Italian inflation seem to bear it out.

Leaving that issue aside, the success of the authorities in lengthening the maturity of public sector debt has been impressive, bankers say.

Between January and November the stock of Treasury certificates in circulation doubled to about L118,000bn worth from just over L59,000bn.

In the same period the stock of Treasury bills in circulation rose slightly to just under L150,000bn from about L140,000bn.

CONTINUED ON NEXT PAGE

The whole of Rome within easy reach!

A cordial reception, the services of specialists, a centuries-old experience.
Banco di Santo Spirito, Rome's oldest and most widely known bank.

When in Rome, use the Banco di Santo Spirito's pass card, a special service card issued without charge for preferential assistance in finance and tourist matters.

Just ask for your pass card at the Banco di Santo Spirito's "Welcome Service", or at Alitalia "Freccia Alata" clubs throughout the world.

BANCO DI SANTO SPIRITO

This announcement appears as a matter of record only.

Isveimer
ISTITUTO PER LO SVILUPPO ECONOMICO DELL'ITALIA MERIDIONALE

D.M. 50,000,000
Medium Term Facility

managed and provided by

Banco di Santo Spirito (Luxembourg)

The Bank of Yokohama Ltd.

Caisse d'Epargne de l'Etat,
Banque de l'Etat, Luxembourg

International Energy Bank Limited
— SFE Group —

Nagrafin Bank Limited

Agent Bank

BANCO DI SANTO SPIRITO (LUXEMBOURG)

November 1983

Reliance on facts

For its operational and productive size structure, Cassa di Risparmi e Depositi di Prato is the leading bank in the major textile area of Europe.
The Cassa's vital activity and available resources, its widespread flexible network of branches, which can be considered actual service centres, enable the bank to fully satisfy the various requirements of families and industries.

CASSA DI RISPARMI E DEPOSITI DI PRATO

50047 PRATO/ITALY - TEL. (574) 4921 - TELEX: PRATO E 572382

GRUPPO ELLE a big banking group

Banca Agricola Milanese · Milano
Banca Credito Agrario Bresciano · Brescia
Banca di Trento e Bolzano · Trento
Banco S. Geminiano e S. Prospero · Modena
Credito Artigiano · Milano
Credito Bergamasco · Bergamo

The strict cooperation among the banks involved allows to offer customers

Operating area of the Gruppo Elle

better readiness and operating capacity in the whole range of the banking services.

REPRESENTATIVE OFFICE
ROMA
via Nazionale 39 · tel. 4755844/5

ITALIAN BANKING IX

Waiting for a watchdog with teeth

Milan Bourse

ALAN FRIEDMAN

WHAT CAN one say about a bourse which sees 80 per cent of its share trading done a long way from the official market, a bourse which plays a tiny role in providing risk capital to companies, a bourse which for years has been a den of insider trading and speculation and a bourse which has fewer listed companies than the total number of stockbrokers in Italy? One can only say "welcome to Milan!"

The Milan Bourse, largest of the 10 regional stock markets in Italy (there are markets in places such as Venice, Bologna, Turin and Rome) has been through some rough times. Founded in 1806 by a decree from Napoleon's viceroy, the Milan stock market has ridden out the scandals of Michele Sindona and Roberto Calvi but still has a long way to go.

In the darker days of the 1970s share manipulation Sig Ugo La Malfa, one of Italy's best known Treasury Ministers, branded the few big players in Milan the *"Golpisti della borsa"* ("coup-makers of the market"). La Malfa and others were concerned about the way a handful of speculators pumped, primed, fixed and generally played with share prices.

Today, for the first time in many years there exists a reasonable basis for hoping that the foundations are being laid for the development of a real life and properly regulated Milan bourse. Much work has been done in recent years to achieve improved financial disclosure by companies and to encourage small investors in Italy to consider the market. Still more needs to be done.

At last count there were 154 officially quoted companies on the Milan Bourse, making for a market capitalisation of more than $20bn. This compares with a number 15 times greater in London and a London capitalisation of more than $200bn. Most veterans in Milan reckon the market cannot hope to attain international credibility until the number of quoted shares is doubled—and this could take two to three years. But there are other obstacles to progress, some political and some cultural.

Dr Ettore Fumagalli, chairman of the Milan Bourse, reckons that the greatest obstacle is the lack of an Italian law requiring a concentration of trading in the bourse and not outside it among the banks and insurance companies. He notes that the bourse is also without rules for the public offer of shares—a prospectus, for example, is only "optional" for companies seeking a listing. There is not even an official take-over code, let alone a take-over panel.

"Our most important goal is to concentrate share trading in the stock market. Around 80 per cent of trading is outside and we need a law to regulate this," explains the chairman.

There are times frequently when the markets focus is on less than a third of the listed companies. There are times when a dozen shares may account for a third to a half of trading volume. The Milan Bourse is still a provincial affair, out of step with the rest of the world's major markets and driven far more by domestic Italian political squabbles and rumours than by the performance of the world economy.

As if these problems were not enough, the market also faces another obstacle — the impossible competition for investor savings from government Treasury bonds and from bank deposit rates. Shares on the Bourse yield an average 3 or 4 per cent. The Government, driven by its insatiable appetite for funds to combat its deficit, is currently paying more than 18 per cent on its tax-free Treasury certificates. Bank accounts, whether they be current or savings, may pay anything from 5 to 16 per cent.

Frightened away

Moreover, the fear of being taken for a very long ride has persistently frightened away the small investor. A few large banks and insurance companies — and some of the quoted companies themselves — make most of the running. Italian savers need to be coaxed with some tangible attractions if they are to change habits. Some of Italy's leading financiers think they may have found a device for coaxing investors to the Bourse — namely the establishment for the first time of Italian unit trusts.

Following the passage of a Parliament Act last March unit trusts are to be introduced within the next few weeks. They will have to meet criteria set by the Treasury and the Bank of Italy and the emphasis will be on professional and careful management of funds. Can the development of such mutual funds entice the small investor and broaden the market's appeal?

Dr Fumagalli is one who believes it can — so much so that he is teaming up with a few other stockbrokers to start his own unit trust. To be called *"Fondi Professional."* The goal is nothing less than a doubling of investors' capital within two years. "We shall try to offer a yield which will compete with the Treasury bonds," says the chairman of the Bourse. How can this be achieved? Dr Fumagalli will not elaborate. He smiles and says only that "it can be done."

Even if the advent of unit trusts and the tightening of rules on share trading and the increase in the number of quotations is achieved, there is still, however, another stumbling block. It is called Consob, the Italian Government's version of the U.S. Securities and Exchange Commission (SEC). Dr Fumagalli describes Consob, founded in 1974, as "an indispensable body."

Indispensable it may be but "non-existent" is the way most people would describe it. Consob has had a troubled history and badly needs to prove itself to be a watchdog with teeth. Sig Vincenzo Milazzo, who resigned as chairman of the Rome-based Consob two months ago, told a Parliamentary investigation that the regulatory agency effectively did not exist. After saying that Consob "had never been born," Sig Milazzo, a former top-level government bureaucrat, went on to express his reservations about the usefulness of audited company accounts.

These are strange sentiments from the chairman of Italy's answer to the SEC. In Milan few in the bourse appear to mourn the departure of the Consob chairman.

With its patchy record Consob's reputation has nowhere to go but up. Soon to retire as a member is a Rome theatrical impresario appointed by the then Prime Minister Giulio Andreotti. At the time of writing it was expected that the Government would appoint a successor to Sig Milazzo before Christmas. This new Consob chairman, said bankers and stockbrokers in Milan, would have the political clout to do an effective job. "A new political will to act is discernable," commented Dr Urbano Aletti, former chairman of the bourse.

Politics, along with finance, has everything to do with Consob. There is little doubt that Dr Aletti's assessment is correct. The Government of Prime Minister Bettino Craxi does appear to be serious about bolstering the image of Consob and developing a true financial market in Italy. But Italy is a country where developments take longer than elsewhere in Western Europe. The potential for a revitalised and cleaner Milan Bourse exists. Now it is time to wait and watch.

PROFILE: ETTORE FUMAGALLI

Unpretentious technocrat

IT IS a cold and frosty winter morning in downtown Milan. Trams packed with commuters move grudgingly along their tracks and in the crowded cafes near the Milan Bourse in Piazza Affari stockbrokers stand munching bioche and sipping expresso coffee. Dr Ettore Fumagalli, chairman of the Milan bourse, is already behind his desk at half past eight. With Milanese despatch he wastes no time at all and plunges into a discourse on the challenges facing the Italian equity market.

"Twenty-five years ago there was 39 per cent of Italy's GNP invested in the stock market—today there is only 6 per cent. The main reason is competition from government Treasury bonds. We have the second highest savings ratio in the world after Japan. But Italians are not used to investing in shares. They put their money in the banks and the banks, which are very politicised, put their money into government bonds."

This is one of Dr Fumagalli's favourite themes—the way "the politicians take the money from the banks and fund the deficit." It is a theme echoed by bankers, stockbrokers and senior corporate executives. Most financiers agree that among the more serious problems facing the Milan Bourse is competition from government bonds, which yield five times the return on shares.

What can be done then to rectify the situation? Dr Fumagalli, who has been a member of the executive of the Milan Stockbroker Committee since 1969, says that banks must be willing to put capital into the new unit trusts which are being prepared for launch in Italy. "Then we will have some of the public's savings going into the equity market. It is indirect but later on the small investors will come to participate," opines Dr Fumagalli.

He is an unpretentious stock exchange chairman. Married with three children, aged 46, a member of the Milan Rotary Club, Dr Fumagalli comes from a prominent stockbroking family. He is the pinnacle of Milanese tradition, a technocrat rather than a showman.

Whether he can bring his influence to bear on the problems of the Bourse is another matter. Unlike some members of Milan's tight financial circles, Dr Fumagalli does not approve of unregulated investment. He singles out, for example, the "Titoli Atipici," or atypical shares. These are sold not through brokers but door-to-door by travelling salesmen. "I don't like this door-to-door business. Somebody promises something and too many Italians are willing to believe the promises. We have to do something about this."

The problem for the upright Dr Fumagalli is that "doing something" in the thickly layered financial world of Milan is easier said than done.

ALAN FRIEDMAN

Money markets

CONTINUED FROM PREVIOUS PAGE

But within that total, the stock of three-month bills fell from about L18,000bn to about L13,000bn while the six-month bill circulation fell from about L70,000bn to L65,000bn. Only the 12-month issue has risen, to about L71,000bn from around L52,000bn.

Treasury bills accounted for 18 per cent of state sector securities issued in the first nine months of this year, against 73 per cent in the same period last year, and their average maturity at issue was extended to almost eight months, from five. The same has happened with Treasury certificates, with the average maturity at issue almost doubled during the year to near five years from 2.5

Yield cut

Despite recurrent market resistance average issue yield on three-month bills was cut to 13.63 per cent in November from 18.2 per cent in January.

With four-year Treasury certificates still yielding an initial 18.4 per cent and seven-year paper yielding 19.6 per cent, investors have followed their nose to the long end, as the Bank of Italy clearly desired.

For the secondary markets there have been at least three significant consequeoces, bankers say.

Firstly, trading turnover in Treasury certificates, once negligible, has soared to several billions of lire a day.

Conversely, trading in Treasury bills, once the staple of the money markets, has slumped to almost nothing, with buyers deterred both by the relatively low yields and the thinness of the market. Dealers say the market flickers into life now only for a day or two after each primary auction when the banks are busy correcting their mis-estimate of customer demand.

As a secondary consequence, some dealers say, the increasingly large mass of medium-term debt tied through floating rates to an increasingly small base of six-month paper, has given the Treasury a rare and easy opportunity to slice its debt service costs next year by manipulating down the yields on the six-month bill issue.

Meanwhile, however, yields on medium-term paper clearly remain attractive, especially if viewed against those available on comparable Deutsche mark aod sterling paper.

to develop your business
with good prospects
look for a leader

IMI

industrial financing

Paid-up capital and legal reserves: 1,359.8 billion lire
Allowances for losses: 749.5 billion lire

ISTITUTO MOBILIARE ITALIANO
Public Law Credit Institute
Head Office: ROME – Viale dell'Arte, 25 (Italy)

Representative Offices abroad: LONDON EC 4R OBE, 8 Laurence Pountney Hill – ZURICH 8022, Gämischstrasse 30, Postfach – BRUSSELS 1050, 67 rue de la Vallée, BTE 7 – WASHINGTON 20036 D.C., 21 Dupont Circle, The Ecram Building – MEXICO CITY 06500 D.F., Paseo de la Reforma 195, Despacho 1301.
Regional Offices in Italy: Milan, Turin, Genoa, Padua, Venice, Bologna, Florence, Rome, Naples, Bari, Catania.

The oldest Bank in the World

MONTE DEI PASCHI DI SIENA
Bank founded in 1472

and its subsidiaries

BANCA TOSCANA
Florence - established in 1904

CREDITO COMMERCIALE
Milan - established in 1907

CREDITO LOMBARDO
Milan - established in 1920

ITALIAN INTERNATIONAL BANK Ltd.
London - established in 1972

at your service in Italy
and everywhere

707 BRANCHES
OF THE «GROUP» IN ITALY

MONTE DEI PASCHI DI SIENA
Branch in NEW YORK
Representative offices in:
FRANKFURT AM MAIN, LONDON,
SÃO PAULO, SINGAPORE.
MONTE DEI PASCHI GROUP
Representative office in CAIRO.

Detail of a hand-painted wooden cover of a Tax Book of the city of Siena for the year 1468

MONTE DEI PASCHI DI SIENA
BANKING GROUP

Not even Leonardo could hope to interest 1,364,000 Italian decision-makers with his works.

*You can by ringing London 3857723.**

By doing so you will discover that Il Mondo, the highest selling Italian economic weekly has a readership of 216,000. Moreover, a readership which is 74% male with 68% in the 25/54 age group and a highly professional profile (83% ABC1 - 70% high school and university graduates - 70% managers, businessmen and professional people).

You will also learn that Europeo is one of the foremost political, topical and cultural weeklies with a readership of 1,148,000 of which 68% is male, mainly in the 25/54 age group (59%), ABC1 class (77%), and high school and university graduates (47%).

Lastly, by calling this number you will have at your disposal a staff of knowledgeable consultants highly experienced in the Italian market, and able to offer you a complete marketing information and media planning service, to help you solve your communication problems in Italy.

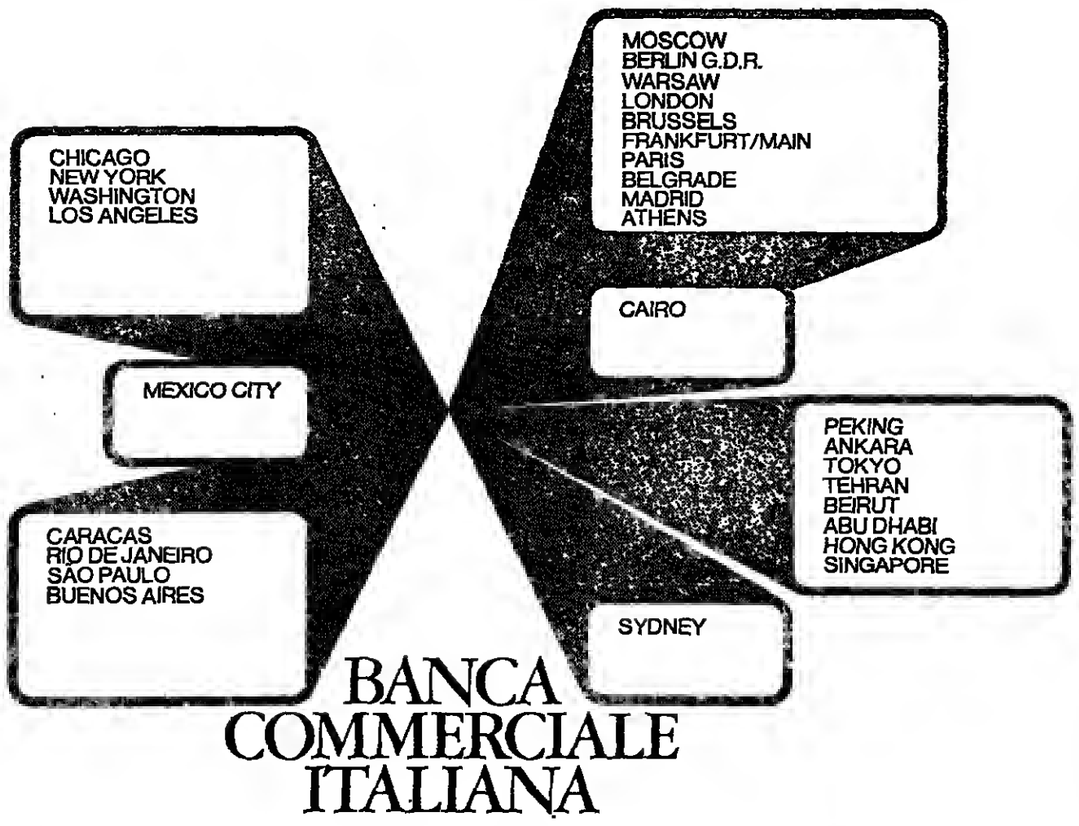
Other representatives in the world:
Paris tel. 5006608 - Hamburg tel. 5110031 - Basel tel. 226575 - Lausanne tel. 207151 - Zürich tel. 2578111 - Bruxelles tel. 6499775 - Wien tel. 757684 - Athenes tel. 6929607 - Amsterdam tel. 178795 - São Paulo tel. 8534842 - Barcelona tel. 2050012 - Stockholm tel. 135000 - Tokyo tel. 4454375 - Johannesburg tel. 8365978 - Sydney tel. 9222677 - Porto tel. 29992 - Lisbon tel. 563603 - New York tel. 6846601 - Toronto tel. 3642269.

Source: ISPI 1983

*PUBLICITAS LTD. - 525/527 FULHAM ROAD - LONDON SW6 1HF.

R GRUPPO RIZZOLI-CORRIERE DELLA SERA

The main markets? BCI covers them

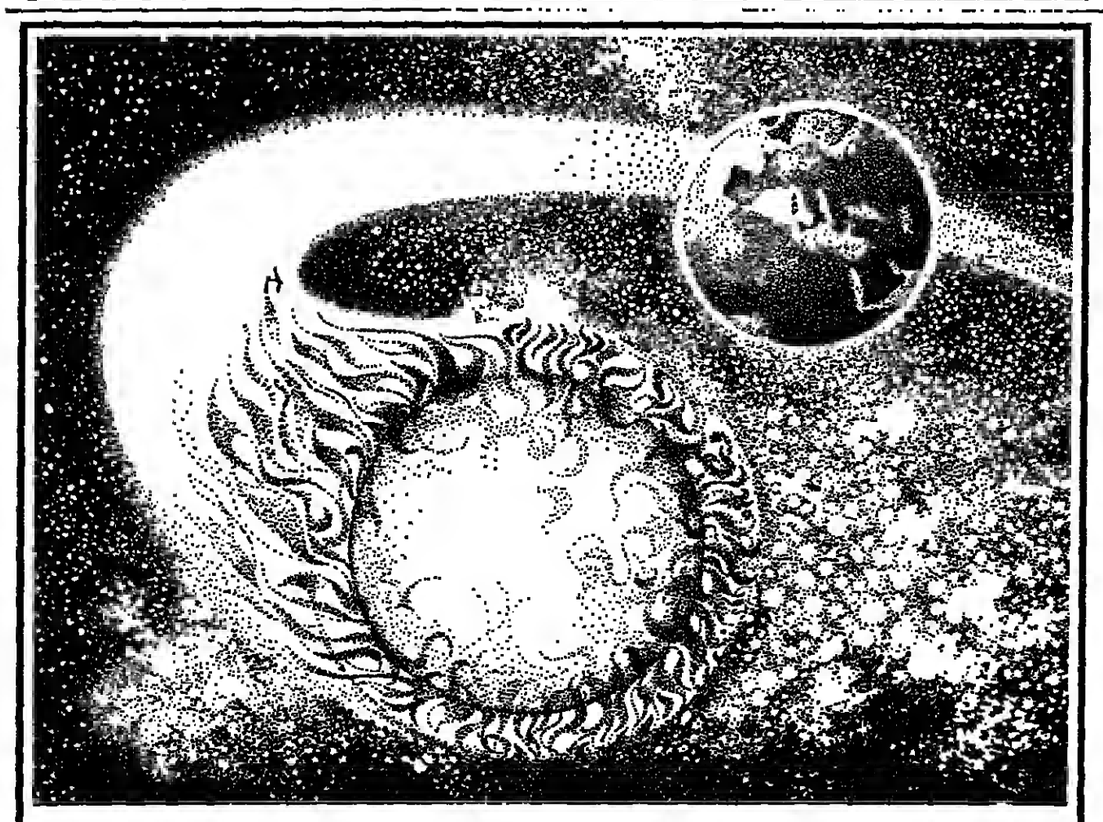


BANCA COMMERCIALE ITALIANA

Head Office: Milan
Tel. 88501 (45 lines)
Telex 310080 BCI HO I
387 branches in Italy

London branch:
42 Gresham Street - London EC2V 7LA
Tel. 01-600.8651
Telex 885927 COMIT G

Associated and allied banks and other participations in more than 30 countries
Associated in EBIC - European Banks International



Sanpaolo Bank: date of birth 1563...

When we still believed the sun circled the earth.

SANPAOLO BANK
ISTITUTO BANCARIO SAN PAOLO DI TORINO

Head Office: Turin - Italy
350 Branches in Italy
Foreign Network: Branches in Amsterdam, Frankfurt, London (Licensed Deposit Taker), Los Angeles, Münich
Agency in New York; Representative Offices in Paris and Zürich.

Dispute over Vatican bank's involvement drags on

Aftermath of Ambrosiano

JAMES BUXTON

THE COMPLETE truth about what really happened at Banco Ambrosiano under Sig Roberto Calvi and how the doomed banker ended up hanging under Blackfriars Bridge in the City of London in June 1982 will probably not be known for years—if ever.

But by now at least one part of the story—the relationship between the now defunct bank and the Vatican—ought to have been a little clearer, thanks to the setting up last Christmas of a joint commission of the Vatican and Italy aimed at examining what happened and laying the basis for a settlement.

Yet not only are the facts as obscure as ever, at least to the interested public; there had, at the time of writing, been no settlement. The joint commission has repeatedly overshot deadlines for finishing its work and though the report is now complete and has been handed over to a few interested bodies in Italy, it is not unanimous on what happened. Even so, there are indications that talks now in progress with the Vatican will in the end lead to a partial resolution of the issue. That should unlock other negotiations on the aftermath of Banco Ambrosiano which are still pending, amid a spider's web of interlocking writs.

When the bank went under, with debts of almost $1.3bn, a consortium of seven banks, three public sector and four private, was wheeled in to take over the banking operation. Jointly they now own Nuovo Banco Ambrosiano, the successor to the defunct bank. They were also allowed to retain Banco Ambrosiano's subsidiary, the finance company La Centrale, which controlled two other banks, Banco Cattolica del Veneto and Credito Varesino, and the insurance company Toro, and held a 40 per cent stake in the Rizzoli publishing group, which owns Corriere della Sera, the Milan newspaper.

Nuovo Banco Ambrosiano, chaired by Professor Giovanni Brazoli, has struggled hard to regain the deposit base it had before the crash, offering depositors interest rates well above those paid by other banks. It succeeded in getting its deposits up to about L3,000bn by tha end of June this year, compared with less than L2,000bn when the new bank was established in August 1982 and the L4,000bn which was on the old bank's books before it collapsed.

New branches

It has also managed to reduce its staff slightly in line with its reduced business and has started to open new branches in areas more promising than those of the old bank, whose branch structure had become ossified and inappropriate to customers' needs. It has issued warrants to the small shareholders of the old bank who lost their money when it crashed which will enabla them to buy shares in the new bank at a later stage. In its first operating year Nuovo Banco Ambrosiano made a loss of L24.9bn and does not expect to be in profit before 1985.

Its future is not without uncertainties. How long do its shareholder banks want to subsidise it? Conversely, do they want it to flourish to the extent of taking away some of their own business? Will it ever gain the image of an independent bank, untarnished by the politicking that has surrounded it both before and after the crash? Professor Bazoli admits that it may have been a mistake to retain the Ambrosiano name.

As for La Centrale, that too made a loss in the year to June 30, 1983, though its debt has been reduced by the sale of its controlling stake in Toro Insurance to a consortium led by the Agnelli family. The major question mark now is over the fate of the Rizzoli stake, which is complicated by the intricate financial ties of the publishing company (still in controlled administration) and the political implications of handing over control of such an important organ as a newspaper to any one group of businessmen. La Centrale's two banks remain healthily profitable, however.

When Banco Ambrosiano crashed the Bank of Italy stepped in to pay off domestic and foreign creditors of the Milan bank. But it did not do the same for the 89 banks which had lent about $450m to Banco Ambrosiano Holding, Ambrosiano's subsidiary in Luxembourg, and the parent of Ambrosiano's network of mysterious overseas offshoots. The central bank did not do so because it reckoned it had no control over the Luxembourg operation and considered that the lending banks should have known this, even though the loans booked through Luxembourg were arranged at the Milan office of Banco Ambrosiano.

Last March the creditor banks, led by Britain's National Westminster and Midland, issued writs against the liquidators of Banco Ambrosiano and against Nuovo Banco Ambrosiano for the recovery of the $450m. Anxious to minimise the damage to Italy's financial image abroad, the Italian authorities have made gradually rising offers of partial settlement of these debts, with the latest offers exceeding 50 per cent of the sums claimed. But where the money for the settlement will come from depends on the discussions now being pursued with the Vatican.

The Vatican bank, the Istituto per le Opere di Religione (IOR) directly owned two, and indirectly another eight, of the phoney companies to which the missing $1.3bn was lent. But it denied that it had any responsibility for them because, it claimed in November last year, it had not known what they were up to, had never run them and had been consistently duped by Calvi, in whom it had mistakenly puts its trust.

Few people in Italy easily accept this exculpation, especially as evidence of highly questionable deals between the IOR and Calvi have come to light, making it difficult to believe that the IOR was completely ingenuous. In any event the Vatican and the Italian state agreed last Christmas to set up a six-man joint commission with three representatives of each side to examine the Banco Ambrosiano-IOR affair and lay the basis for a settlement.

The commission travelled to different countries involved in the affair, studied countless documents and spoke to dozens of witnesses. It produced — so it said by those who have seen the report — detailed reconstructions of some of the key transactions between IOR and Calvi. But though the report is a single one, the interpretations of some key events in the story offered by the two sides in the commission differ, with the Italian side considering the IOR responsible and the Vatican side sticking to its original line that it was an innocent and unwitting victim.

The view held by officials involved is that the Vatican does not want to have to eat its earlier words and admit to responsibility. But it has much to gain from a settlement with the Italian state. Without it, it would be very difficult for the Italian Government to sign the new Concordat, substantially amending the one signed in 1929 by Mussolini.

The sixth and latest draft of the concordat—discussions have been going on since 1967—is apparently ready. Moreover, in spite of the differences of view in the joint commission report on Ambrosiano-IOR, the report is still regarded as a useful basis for the discussions now going on in the form of a settlement.

Questions

From there on the questions pile up. How much would the Vatican pay? A minimum would seem to be the $125m which IOR borrowed directly from the Latin American subsidiaries of Ambrosiano, but even this figure is in dispute. If the Vatican were to pay substantially more — and figures of more than $200m hava been bandied about — where would it get the money from? The Vatican's financial resources are far from immense — one recent estimate of the portfolio of APSA (the Administration of the Patrimony of the Holy See) put its total value at about $500m. Would the Vatican, as has been suggested, borrow to pay off part of the settlement price? If so, who would lend to it?

There is also the question of what price the Italian authorities would exact from the Vatican for letting it off the full amount of its paper "obligations." In the past the Italian Government has raised tha question of IOR setting up at least a branch on Italian soil which would be under Italian banking regulations, so that in theory the IOR would cease to be such a loophole in the otherwise tightly controlled Italian foreign exchange and banking regulations. Less has been heard of that idea lately.

What will happen to IOR itself? Its chairman remains the American Archbishop Paul Marcinkus. But can he really remain in office much longer after the debacle—even if, as many suspect, the joint commission report puts the blame for whatever errors may have been committed at IOR on his immediate underlings?

A contribution from the Vatican would help the Italian authorities pay off the creditors of Banco Ambrosiano Holdings (BAH). The patience of those banks is not inexhaustible and the administrators of BAH have already asked solicitors to draft a writ against the IOR itself, the serving of which would be an unprecedented action with unforeseeable consequences. All the parties in the interlocking dispute appear anxious not to push their legal actions to extremes if they can avoid it. Instead they are hoping for something to happen soon.

PROFILE: Banco di Napoli

New leaders bring boardroom peace

A CURIOUS thing has happened in the world of Italian banking. For nearly a year now the newspapers have been without lurid articles on the boardroom wrangling of Banco di Napoli.

Banco di Napoli is the country's sixth biggest bank in terms of assets and the one with the most branches (nearly 500), most of them in the south of the country, where it formerly issued the currency.

But despite its distinguished history, dating back at least to the 18th century, the bank's operations have lately become increasingly antiquated, its management unprofessional and its links with local political interests in Naples questionable. To sort it out tha Government in early 1980 appointed Dr Rinaldo Ossola, a former senior official of the Bank of Italy and then a Minister, to become its new chairman.

In theory Dr Ossola was tha ideal man to reform the Banco di Napoli. In practice his three years there were a demonstration that the methods and principles of Northern Italy, where Dr Ossola comes from, rarely blend with the Bourbon attitudes of the South.

Dr Ossola did bring about some changes at the bank. But on major issues he was repeatedly blocked by the entrenched Christian Democrat establishment there who dominated the board. The explosions and insults exchanged in the boardroom reverberated round Italy. Finally at the end of last year Dr Ossola resigned.

Experienced man

Soon afterwards the Government appointed Professor Ferdinando Ventriglia to be general manager and in April named Professor Luigi Coccioli as chairman. Sr Ventriglia is an experienced banker, having previously run Isveimer, the development body for Southern Italy. He has also been director general of the Treasury and managing director of Banco di Roma.

Sr Coccioli had since 1979 been chairman of Istituto Bancario San Paolo di Torino, often considered one of the country's best managed banks. He is a skilful manoevrer and gets on well with everyone. But tha key fact is that both he and Sr Ventriglia are Neapolitans —the essential prerequisite for running Banco di Napoli successfully.

For it is significant that once Dr Ossola had gone (he is now chairman of the successful Credito Varesino, as well as holding many boardroom appointments) the board of the Naples bank approved the revised statute for the bank giving it a better management structure—something it had tenaciously refused to accept when Dr Ossola was in charge.

Sig Coccioli, who perhaps wisely does not care to talk about Banco di Napoli's recent past, moved swiftly to remedy one of the bank's long-standing weaknesses — its shortage of capital. He succeeded in bringing senior politicians to a meeting in Naples at the height of last summer's election campaign and won pledges from them that something would be done to meet the state-owned bank's need for L1,800bn over the next 10 years in new Government funds—a staggering amount by any standards. Half of this—L900bn — is needed almost at once.

As he pointed out, the bank's net assets of L853bn amount to only 7.5 per cent of total credits advanced (L11,289bn), whereas the other state-owned banks have a ratio of 13 per cent and banks in the north of the country 15 per cent. Given the high risk of lending in the South the ratio for Banco di Napoli ought if anything to be higher. Yet, as Sig Ventriglia complained at the meeting, some L84bn of a L141bn capital increase for the bank approved by Parliament in 1981 had yet to ba paid.

Sig Coccioli said later that a "kind of letter of intent was signed," though he did not expect it to be acted on with much despatch. Nor has it been, given the frightening dimensions of the Government's deficit. But there is hope of inserting the capital increase —or part of it—into the Bill for the reorganisation of the Cassa per il Mezzogiorno, the state concern which provides funds for the South. That could prove complicated, however. Meanwhile, Sig Coccioli is keeping up the pressure.

"What I'm saying to the Treasury is this," says Sig Coccioli. "I made all that money for you when I was running San Paolo di Torino. Now I want some of it back."

Another way of securing new resources would be to make use of the clause in the bank's new statutes — still to be officially approved — that allows 30 per cent of the shares to be sold to private interests, including foreign banks. But the new leaders of Banco di Napoli do not seem very keen on that option for the moment. It would mean changing the ownership structure of the bank possibly to allow it to be quoted on the Milan Stock Exchange and a further shake-up in the boardroom just after the board has settled down. "The board has been voting unanimously since my arrival," says Sig Coccioli. "We'd rather get new funds from the government first and then look for another partner — or perhaps they will come to us."

JAMES BUXTON

CASSA DI RISPARMIO DI MODENA

Established 1845

Head Office: 41100 MODENA (Italy)

ALL DOMESTIC AND FOREIGN BANKING TRANSACTIONS

New prospects, old tradition.
Efficient management added to a wide and complete variety of services.
Faithful to its public and local vocation.

THE FIRST SAVINGS BANK IN ITALY TO OPEN TO PRIVATE SHAREHOLDERS.

20 BRANCHES AND 10 CITY AGENCIES

CAPITAL AND RESERVES OVER Lit. 138,000,000,000
DEPOSITS OVER Lit. 1,180,000,000,000

Consultant in the U.K.:
Prof. S. BACCHI - ANDREOLI
79, Cornwall Gardens, LONDON S.W.7
Phone 01 - 9376230

CORRESPONDENTS THROUGHOUT THE WORLD

Banca S. Paolo
Brescia

As at 31.12.1982: Share Capital : Lit. 50,000,000,000
Reserves & Funds: Lit. 150,254,000,000
Total Deposits : Lit. 3,695 billion

Head Office : Brescia - Corso Martiri della Libertà, 13
Tel. (30) 2992.1 - Telex 300 020

Intl. Division : Brescia - Via Cipro, 54
Tel. (30) 2992.1 - Telex 300 020 - Swift BSPA IT 22

78 Branches in the provinces of Brescia, Milan, Como, Verona and Trento